

AUTOMOTIVE EXECUTIVE

Official
Publication
of the National
Automobile
Dealers
Association

July 1984



FROM RUST TO RICHES

Rustproofing. Paint sealant. Sound shield. Fabric protector. Dull topics, right? Wrong. Some dealers have found ways to turn this lead into gold.

In the chemicals and protectants market, numerous companies offer different products, warranties and price structures. But it's well

worth the time to wade through the morass of information to find the right company to deal with, because it's an area with great profit potential.

Continued on page 23.

A U T O M O B I L E



Our policy is simplicity.

There are two kinds of insurance coverage for the business you're in.

One is the kind you have: most likely a patchwork of two, three or even more policies designed for businesses in general. You're paying for coverage you don't need. And you can't add coverage you want without attaching even more policies.

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(For more information circle #38)

Our policy works. Because our policy is designed specifically for the automobile dealership.

It's that simple.

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Phone toll-free 1-800-821-7803 Ask for Marsha Thompson

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Tilt-Wheel sells cars. Lots of them. It helped sell its first GM car way back in 1963. And it has been selling them non-stop ever since—without so much as a coffee break. From luxury to smaller economical models—Tilt-Wheel can help sell them all.

Tilt-Wheel adds profit. It adds to your profit margin while adding little to inventory cost—and nothing to overhead—on new and used cars. It can help those cars sell faster, too.

Tilt-Wheel builds customer satisfaction. Tilt-Wheel is virtually trouble-free. It adds comfort, convenience and helps people feel good about their cars. And those satisfied customers buy Tilt-Wheel-equipped GM cars again—nine out of ten times.

Tilt-Wheel offers buyers a lot for the money. It's one of today's great bargains at just \$110 MSRP, while returning up to \$100 at resale, based on current leading used car guides.

**Put Tilt-Wheel
to work selling your new GM cars
and light trucks.**



Tilt-Wheel

It does so much...
yet costs so little.



Making The Right Choice

Building a successful automobile dealership takes years of dedication. It takes planning, hard work, and requires sound management decisions. Those who accomplish this goal are rare indeed. But the business world does not stand still, and the dealers who continue to succeed understand the need for change and expansion.

Progressive dealers all over the country are discovering that van sales represent one of the largest profit opportunities for their dealerships. Whether you are just considering vans or are already involved, we would like to give you seven solid reasons for doing business with Tra-Tech:

1. The Company

Tra-Tech Corporation is a broad-based, national company with manufacturing facilities in Texas, Georgia, and Michigan. We are financially strong and participate in the chassis bailment pool system of all four major manufacturers. We protect our dealers with product liability insurance. Most important, Tra-Tech has a proven record of sales, satisfied owners, and long-term dealer relationships! Just like you, we are in business for the long term.

2. Our Product

Tra-Tech conversions represent the ultimate in luxurious, affordable, family transportation. We do not rest on the laurels of our past design successes, but continually strive for improvement to meet the demands of today's buyer. Tra-Techs also consistently command the highest resale value and customer demand.

3. Warranty

We are proud of the quality with which our vans are built, and we stand behind them completely. We process warranty claims quickly, and expedite the shipment of replacement parts to your service department. We can also assist in training your service manager and his personnel in time-saving repair procedures. The average Tra-Tech warranty claim in the last model year was less than \$30 per vehicle.

4. Sales Training for Dealer Personnel

Our job is just beginning when you buy a Tra-Tech. We feel a tremendous responsibility to assist you in every way possible until that unit is purchased by your customer. Our continuing dealer sales train-



ing is the most thorough and effective in the industry. We utilize the most modern training aids, including videotapes of our effective 10-point sales demo. We provide dealer sales manuals and are always happy to work with your salesman one on one.

5. Advertising Support

We understand you can't sell a Tra-Tech without customers on your lot, and that requires effective advertising. Once again, we assist you in every way we can. First, we ourselves place lead-producing, national consumer ads. Second, we provide you with professionally prepared ad slicks and posters. Third, we assist with accurate demographics for mailings to a selected buyer market. Fourth, Tra-Tech receives both regional and national TV exposure every week. What's more, we make available professionally produced TV spots that are easily adaptable to your needs.

6. Dealer Promotions

We have years of experience in planning effective sales promotions for our dealers. We can help in creating a theme that is right for you and your area. Then we are available to assist at all levels of development and execution. Our promotions produce consistent sales successes.

7. Inventory

Proper inventory stocking is the key to generating continual sales. Once more, our experienced staff can assist you in planning the right inventory level for you, allowing van sales 12 months a year.

We welcome and invite both your questions and your scrutiny. We want to earn your business and your long-term confidence. Please call, or better yet, send us your business card so that one of our professional planners can begin developing a personalized marketing program tailored to your dealership. For continuing growth and improved bottom line profit, ***Tra-Tech is the right choice!***

TraTech
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Pontiac, Michigan 48057
(313) 852-2620

1075 South Cobb Drive
Marietta, Georgia 30060
(404) 427-2500

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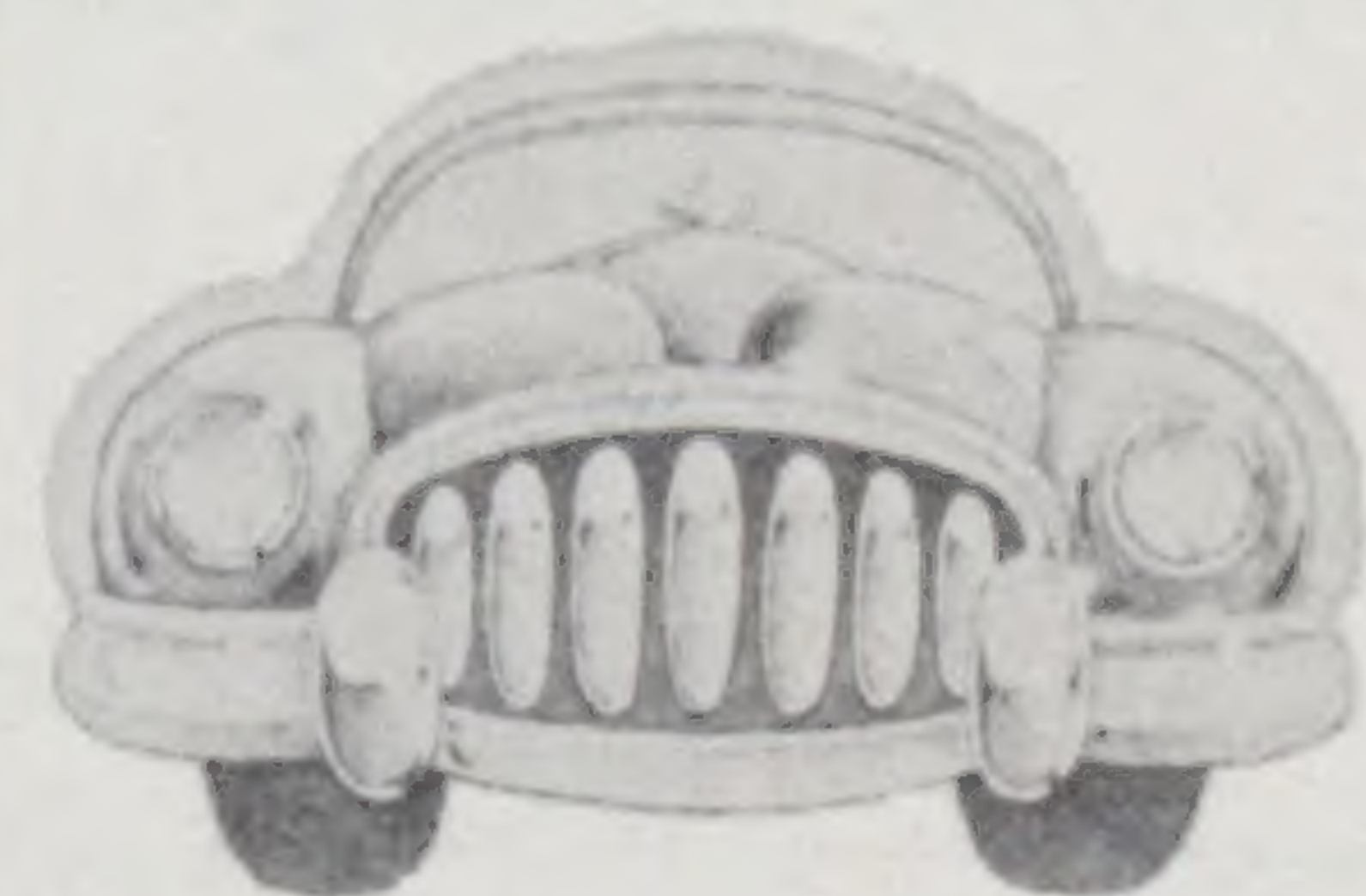
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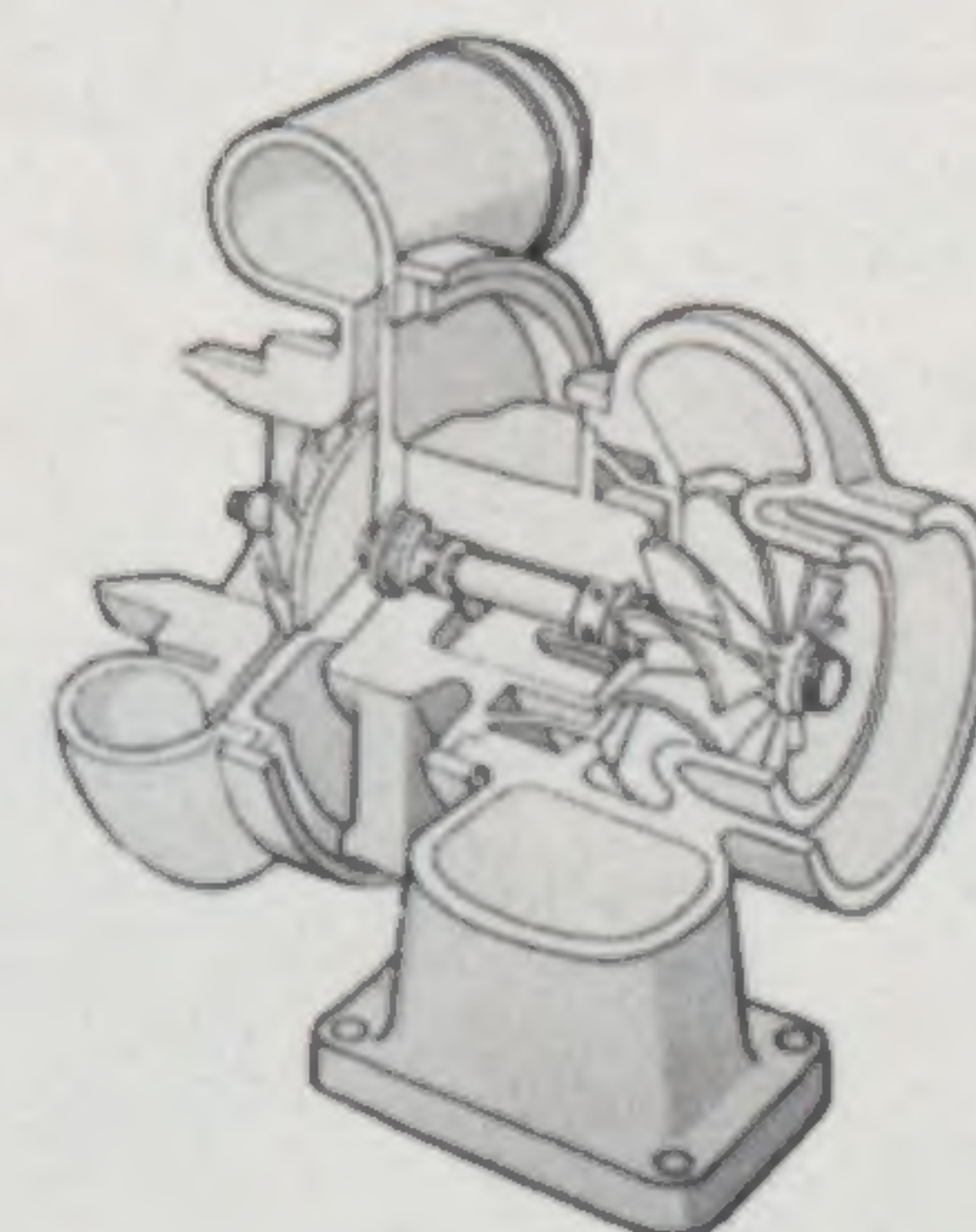
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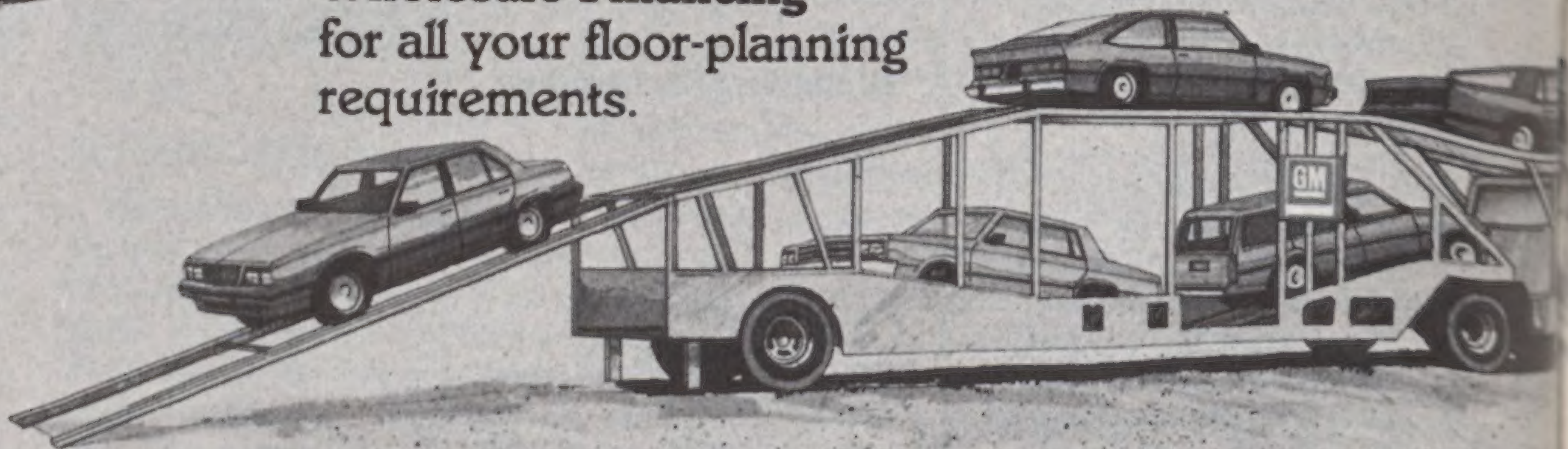
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(For more information circle #12)

Whose Ox Is It?

It's not hard for dealers to ignore negative press about manufacturer profits and executive bonuses. After all, it's "their problem."

Besides, showroom traffic is booming and business is good. And it's not the dealer's ox being gored.

Or is it?

The fact is, future government policy could be based upon a one-sided reaction to those numbers. Dealers have already experienced, first-hand, the impact of government intervention in their businesses.

Then, too, labor negotiations are underway. Predictably, labor has reacted strongly to industry announcements on profits and, for many dealers, new-model availability as well as future product cost will hinge greatly on those ongoing negotiations.

Consumers react to those press announcements, too. As the front-line representatives for their manufacturers, dealers also absorb the full brunt of consumer complaints.

There are also some increasingly negative comments about dealership profits.

The media sees dealers as benefiting from product shortages, which trigger higher prices and rising demand. Consumers think dealers charge too much. Even manufacturing executives have made clucking sounds about dealer profits.

It seems too familiar, right? "They forget how tough the recession was for us." But the plain truth is that the recession was yesterday's news. Today's focus is on price, profits and performance. Dealers need to defend themselves from uninformed critics.

After all, dealers employ more people than do auto manufacturers. Dealer pay-

rolls and civic contributions support many families, other local businesses and charities. Without profits, there would be no new investments and fewer paychecks.

How many consumers and reporters have any real understanding of capital investment, land and building costs, tool and computer complexity, technician training expenses and overhead? All must be managed to operate a successful new-car or truck dealership.

More to the point, how many dealers take the time to explain those costs—in simple terms—to reporters and customers?

In most cases, customer contacts are missed opportunities for dealers and their employees to point out the value of today's product. People should be told that consumer protection is a major interest—on the part of the dealer who wants to retain his or her customers; and on the part of the manufacturer who is trying to re-establish consumer product loyalty.

Today, manufacturer efforts are producing quality product. In dealerships, there is equal pressure for quality service and customer concern. Millions are being spent to refurbish dealerships, the delivery system for America's transportation needs. Today's consumer benefits from each of these efforts.

Dealers need to get the message across to their customers that it's this system, strong once again, that has given Americans the freedom of mobility that they've come to demand. It's how this industry and our country have progressed so well over the past 75 or 80 years.

We think dealers have an obligation to speak up for the business and the system that makes it all work.

It's not just "their ox." It's ours, too. And it must be defended because it's how we make a living. ☐



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Defining New Terminology

Don Dockstader Motors Inc., Vancouver, British Columbia, found that the new automotive terminology (e.g., fuel injection, turbocharger) is often not fully understood by the average car buyer. So the dealership asked for volunteers from its staff of fully qualified technicians to each spend a Saturday in the showroom, answering any questions prospective buyers might have. A tag was added to newspaper and radio advertisements, explaining that a service technician would be available in the showroom to answer any questions concerning the customer's own car or a new unit. The response has been excellent. In addition to the increased floor traffic, the exercise has improved relations between the sales and service staff. ■

Promotion to Increase Floor Traffic

Ed Ballard of Ed Ballard Buick-Pontiac-GMC Inc. in Pauls Valley, OK, arranged with a local, well-known jeweler to provide (at no charge) a quantity of small zircons and a few small diamonds. The stones were then frozen in the middle of ice cubes.

The advertising read, "Free diamonds—no purchase necessary—you could be an instant winner." When customers arrived, they were asked to complete a registration card and were given one of the cubes in a paper cup.

As the prospect waited for the cube to melt, the time was spent talking with the sales staff. When the ice cube melted, the dealership suggested that the customer take the stone to the jewelry store to see if it were a real diamond. The jeweler used this opportunity to show his assortment of mountings for the stone. □

Service Meetings

NADA 20 Group member Thomas Vicary of Sexton Chevrolet-Cadillac, Harri- man, TN, found that scheduling a short service meeting, before the service department opens in the morning, helps avert many potential problems by properly prioritizing the workload. The deal-

er (or general manager) meets with the parts manager, service manager, service advisor and one counterperson to review such items as appointments, carryovers, parts necessary, parts in transit, deliveries, warranty problems and bulletins. The service personnel have complete instructions for the day's work, and management is aware of the department's capabilities when dealing with customers or the sales department. ■

The "Special of the Day"

In the service department at Ed Byrnes Chevrolet-Honda in Dover, NH, Wayne McCarthy and Service Manager Frank Slone use an idea which, for very little investment, pays a huge return in flexibility and service profits.

A "Special of the Day" chalkboard is mounted in front of the service writer's desk, where every customer coming in the door can see it immediately. The board informs the customer of an information item, a notice or a special that is appropriate to the season.

For example: On the first cold day of the season: "How long since your car's antifreeze has been checked or changed?"; First hot day: "How long since your air conditioner has been checked?"; First or last day of the month: "Does your car need a state inspection?" The board can be used to inform customers of a holiday closing or to promote specials to take up slack time in a particular service area. ■

Promoting Employee Goodwill

Richard Lang of Lang Chevrolet Co. in Xenia, OH, keeps a card file on his desk with basic information on each employee and his or her family. These cards are filed by birth date, with the current date in front. When a birthday arrives, Lang compliments the employee on his or her service to the company. A gentle reminder not to forget the big day is made to each employee the day before.

Lang has kept his card file for over 10 years, and it has brought an immeasurable amount of goodwill from his employees. □

Auto Association News

Chicago Auto Show Leads the Way

The year was 1901. Carrie Nation was arrested for leading a band of women against the illegal sale of liquor in Kansas, the U.S. Steel Co. filed articles of incorporation, and President McKinley was assassinated in Buffalo, NY. In Chicago, automakers gathered for that city's first auto show.

Car dealers at that time were on one-year franchises, so they went to the show to look over the makes and determine which one they wanted to handle in 1902. In an attempt to woo some of them, one automaker built an elaborate wooden track to prove that his cars would indeed run.



More than 900,000 people visited the 1984 Chicago Auto Show sponsored by the Chicago Automobile Trade Association.

From its humble beginnings 83 years ago, the Chicago Auto Show has grown to become the largest in the U.S. Open to the public since 1910 and run by the Chicago Automobile Trade Association (CATA) since 1935, the 1984 show saw 900,000 people pass through its turnstiles.

Back in the early years, auto shows were held in late September or early October to herald the arrival of new models. Chicago pioneered the idea of moving the show to late January or early February, in an attempt to boost sales during the slow months. It is a practice most of the larger shows readily adopted.

Ross Kelsey, CATA executive vice president, explains it this way. "Our people realized we didn't need an auto show at the time new models came out. There was already so much hoopla at the dealerships—in those days they would tape up their windows so no one could see the new models inside—they drew people on their own.

"We moved the show back a few months as a means of rekindling the

public spirit in automobiles and to kick off the spring selling season."

It proved to be a wise move. "Almost every March," Kelsey says, "even during the bad years, sales in the Chicago area have gone up 30 percent after our show and usually have stayed that way for a couple of months."

Getting Organized

Putting on an auto show takes lots of time, as well as hard work and attention to detail. Kelsey reports his association staff of seven does the work without the help of professional organizers.

"We do it. That makes our show different from a great many others. We put on the show. We don't hire an outside show manager or show promoter. We don't believe in that.

"The main thing to plan is the date," he says. CATA plans its show dates four years in advance. "In many cities, especially those with limited facilities, you'll be competing with other shows for space." He recommends picking a facility with adequate floor space and plenty of parking, and paying particular atten-

tion to budgeting. "The main thing is to set up a budget that does not rely solely on the box office to be successful," he says. "You should set up your budget so that your normal expenses are covered by the sale of exhibit space. Those shows that have gone under have relied too much on box office support."

Dealer Involvement

CATA has a membership of more than 500, and individual dealers get involved in the show through dealer line associations that purchase space. Dealers and their salespeople work the booths, showing consumers the advantages of one model over the other. Many manufacturers use the show as an opportunity to hold sales meetings and sponsor contests.

Profits

Many dealer associations sponsor auto shows to raise capital for the association. CATA does it to foster goodwill among citizens.

"We look at it as a civic enterprise by
(continued on page 10)



free enterprise system at work...

National Auto Auction Association member auctions handle over 3,000,000 cars and trucks a year. They help you buy and sell profitably. They help you balance inventories.

Auction members provide multiple services, too, like transporting cars, washing, cleaning, and repairing them. And, our auctions help establish real market values for automobiles across the nation. This is free enterprise at work. It is private enterprise at its best. Both buyers and sellers at our auctions profit through regular visits...where ethical standards and practices by our members are unexcelled. Isn't it great to know an Association like NAAA is working for you? Where else, but in America?

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Bernard Hart, Executive Secretary

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(continued from page 9)

area businessmen," Kelsey says. "The admission fee is \$3 for adults and \$1 for children under 12—by far the lowest of any public show in Chicago.

"We have tried to stress for many years that this is a family event. We are a nonprofit association and we're *not* interested in making a profit. Whatever money is left over after expenses is rebated to the exhibitors. This year, we gave back 45 percent of the cost of each exhibit."

Chicago's 1985 show is February 9 to 18 at McCormick Place, where it will occupy 670,000 square feet. Kelsey figures attendance will top 900,000 for the sixth consecutive year. And he'll do it without the aid of a wooden track...

—Noreen S. Welle

Secretary/Treasurer Isaacs

B. Wade Isaacs, executive vice president of the North Carolina Automobile Dealers Association (NCADA), was elected secretary/treasurer of the Automotive Trade Association Managers at its February meeting in Dallas. He is serving a one-year term with officers William F. Morie, president; Richard K. Welte, vice president; and Keith W. Howard, immediate past president.



Isaacs, a native North Carolinian, returned to his home state in 1971 to become head of NCADA, which has a membership of 690 and a budget of \$500,000. He had lived in Richmond, VA, for 17 years, as executive assistant to a congressman for four years and before that with an executive banking firm.

Isaacs has been very active in ATAM affairs, sitting on its board of directors in 1975, 1976 and 1983. He has served as ATAM liaison on the NADA Government Affairs and ATD Committees.

His local contributions include work for the Eastern North Carolina Chapter of the National Multiple Sclerosis Society, where he served as chairman for

three years and board member for nine. He received the Hope Chest Award in 1982 from the national group.

Editor's Note: To learn more about ATAM officers Welte and Howard, see page 22 of the July 1983 issue. For more about Morie, see page 13 of the March 1984 issue.

New ATAMs Meet

New ATAM executives taking office in 1984 met at NADA headquarters in McLean, VA, this spring with ATAM officers and staff.

The meeting was attended by Tim Dowling of the Indianapolis Automobile Trade Association, Bob Israel of the Louisiana Automobile Dealers Association, Jack Knott of the Wyoming Automobile Dealers Association, Ruth Lemon of the West Virginia Automobile and Truck Dealers Association, Dean Mansfield of the Montana Automobile Dealers Association, Boyd Rice of the New Car Dealers Association of Tarrant County, and Bert Parrish of the Automobile Trade Association of Greater Philadelphia.

ATAM officers Bill Morie of the Georgia Automobile Dealers Association and Dick Welte of the Niagara Frontier Automobile Dealers Association led the meeting.

AADA Supports Driver Education

The Arkansas Automobile Dealers Association supports driver education and safer driving by sponsoring a statewide Drivers Excellence Contest. This is the fifth consecutive year for the program, which won the Highway Users Federation Award for the promotion of highway safety.

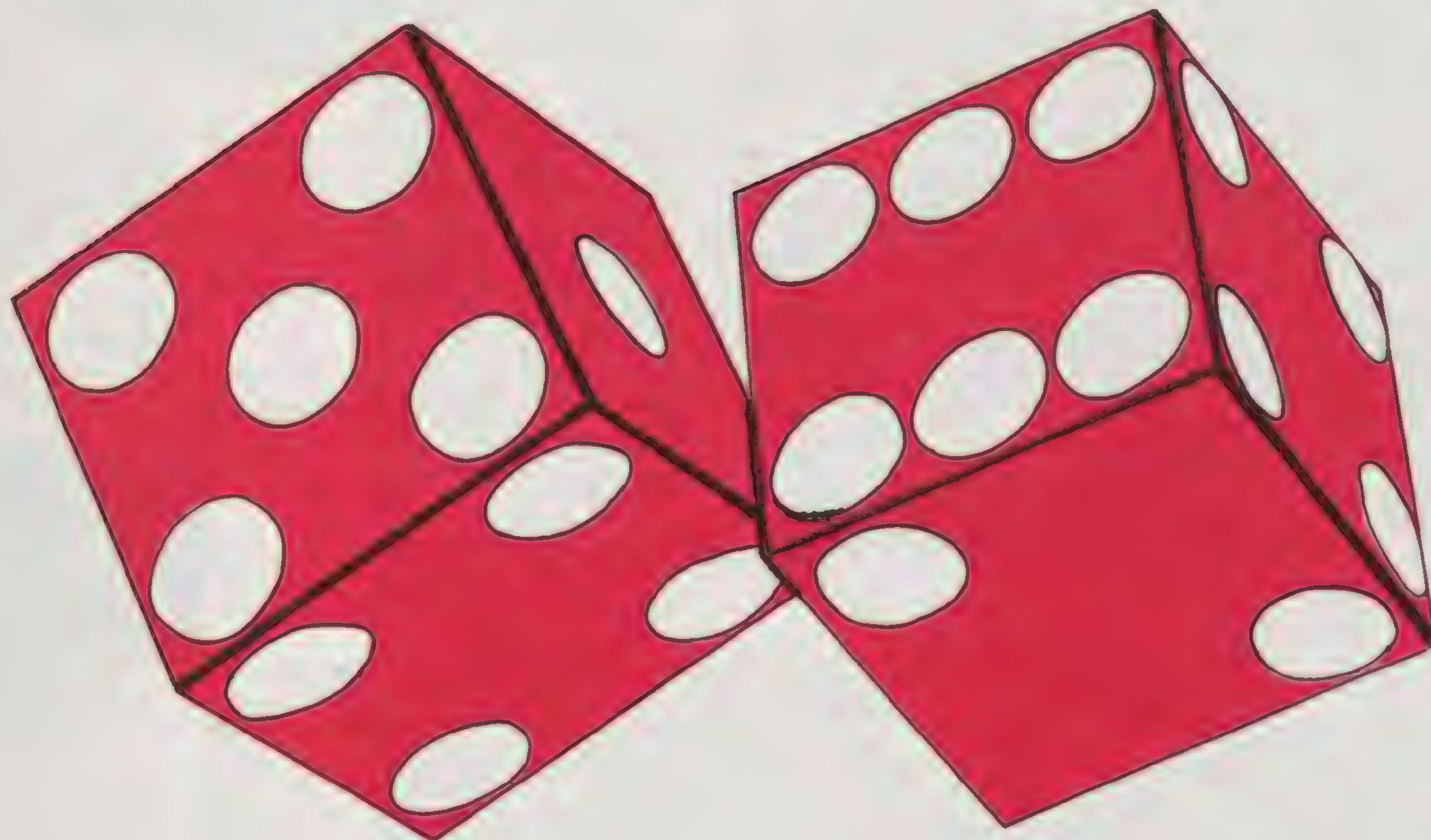
As well as providing cars used in the contest, AADA also furnishes plaques, T-shirts, jackets and cash scholarships to the winners.

The president of AADA is Frank Carder.

Auto Association News reports on events at the state and local level. Please send any items of interest to: Joan Rubin, assistant editor, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102-3593.

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system help meet these challenges and improve profits?

We know they can. We're Tricom Systems, the industry's fastest growing company that specializes in helping dealers improve service department operations.

We're More Than A Computer Company.

There are a lot of places to buy computers these days. It can be as simple as walking into a local discount store and ordering one up. Only to find it doesn't meet your needs.

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When you buy a *Tri-Freedom* system, you also get *on-site* training of your people. Training in how to operate the equipment. And, training in how to use the equipment to communicate more effectively for improved productivity.

You also get our recommendations on how to organize your shop for the most efficient operation.

We'll Help You Choose.

Several different *Tri-Freedom* systems are available. Designed to increase productivity whether you have four technicians or fifty.

One system loads the shop accurately, maximizing actual work time. This system can help

dealers who need to increase job completion per day through increased productivity.

A second system can increase the amount of work available by automatically recommending scheduled service.

While a third system can increase accuracy and productivity with automated labor time guides and computerized service histories.



And, all *Tri-Freedom* systems include a 24-hour, toll-free phone number that can get you service quickly. On-site, in most cases.

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Successful dealers know that service departments can make a real difference in the total dealership profit picture.

Productivity and efficiency have taken on new importance. To many dealers, service department productivity and efficiency means survival.

The time it takes technicians to complete jobs. Keeping the work flowing smoothly. Increasing the technician's actual work times. These are the kinds of challenges which must be met by dealers who want their service department to do more than just pay the electric bills.

Can a service management computer



There's More To Solving Productivity Problems Than Computers.

Productivity has a lot to do with how people communicate with each other. It's

one thing to have a computer system that helps guide service advisors through the basic steps of making service sales.

It's something altogether different for service advisors to talk with customers, with the dispatcher, with technicians, with cashiers, and with all the other people who make your service department run.



The point is, that regardless of your dealership's service department needs, there's probably a *Tri-Freedom* system that can help.

Help increase productivity and efficiency. Help improve profits.

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To find out how your service department can benefit from a *Tri-Freedom* service management computer system, call this toll-free number: 1-800-621-6977 (in California, call 1-800-621-9579).



Manufacturers of TRI-FREEDOM Computer Systems

Tricom Systems Corp. 3364 Arden Road Hayward, California 94545

(For more information circle #37)

Calendar

July

8 to 11. Automotive Trade Association Managers Summer Meeting, The Westin Hotel, Vail, CO

15 to 18. West Virginia Automobile and Truck Dealers Association Convention, The Greenbrier, White Sulphur Springs, WV

18 to 22. Louisiana Automobile Dealers Association Convention, Buena Vista Palace, Lake Buena Vista, FL ■

August

5 to 8. Michigan Automobile Dealers Association Convention, Grand Hotel, Mackinac Island, MI

26 to 30. Automotive New Week, Detroit: World Congress, Renaissance Center; World Expo, Cobo Hall ■

September

13 to 17. National Tire Dealers and Retreaders Association Convention and Trade Show, Anaheim Convention Center, Anaheim, CA

30 to October 4. American Trucking Associations Convention, Hilton Hotel, Las Vegas, NV ■

October

14 to 19. New Jersey Automobile Dealers Association Convention, Britannia Beach Hotel, Nassau, Bahamas

16 to 19. APAA/SEMA/IA Show, Las Vegas Convention Center, Las Vegas, NV

17 to 25. Oklahoma Automobile Dealers Association Convention, Sheraton Stockholm Hotel, Stockholm, Sweden

28 to November 1. New York State Automobile Dealers Association Convention, Hamilton Princess Hotel, Bermuda ■

November

8 to 15. Montana Automobile Dealers Association Convention, Hyatt Regency, Maui, HI

gency, Maui, HI

15 to 18. Hawaii Automobile Dealers Association Convention, Weston Wailea, Wailea, Maui, HI ■

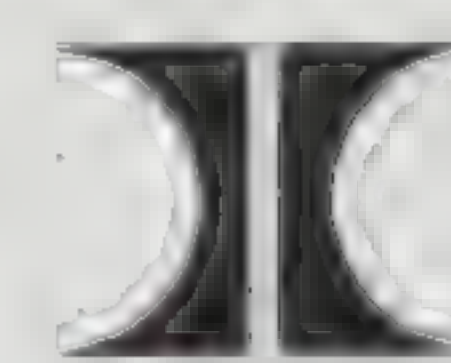
December

2 to 4. Minnesota Automobile Dealers Association Convention, Radisson South Hotel, Bloomington, MN □



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(For more information circle #27)

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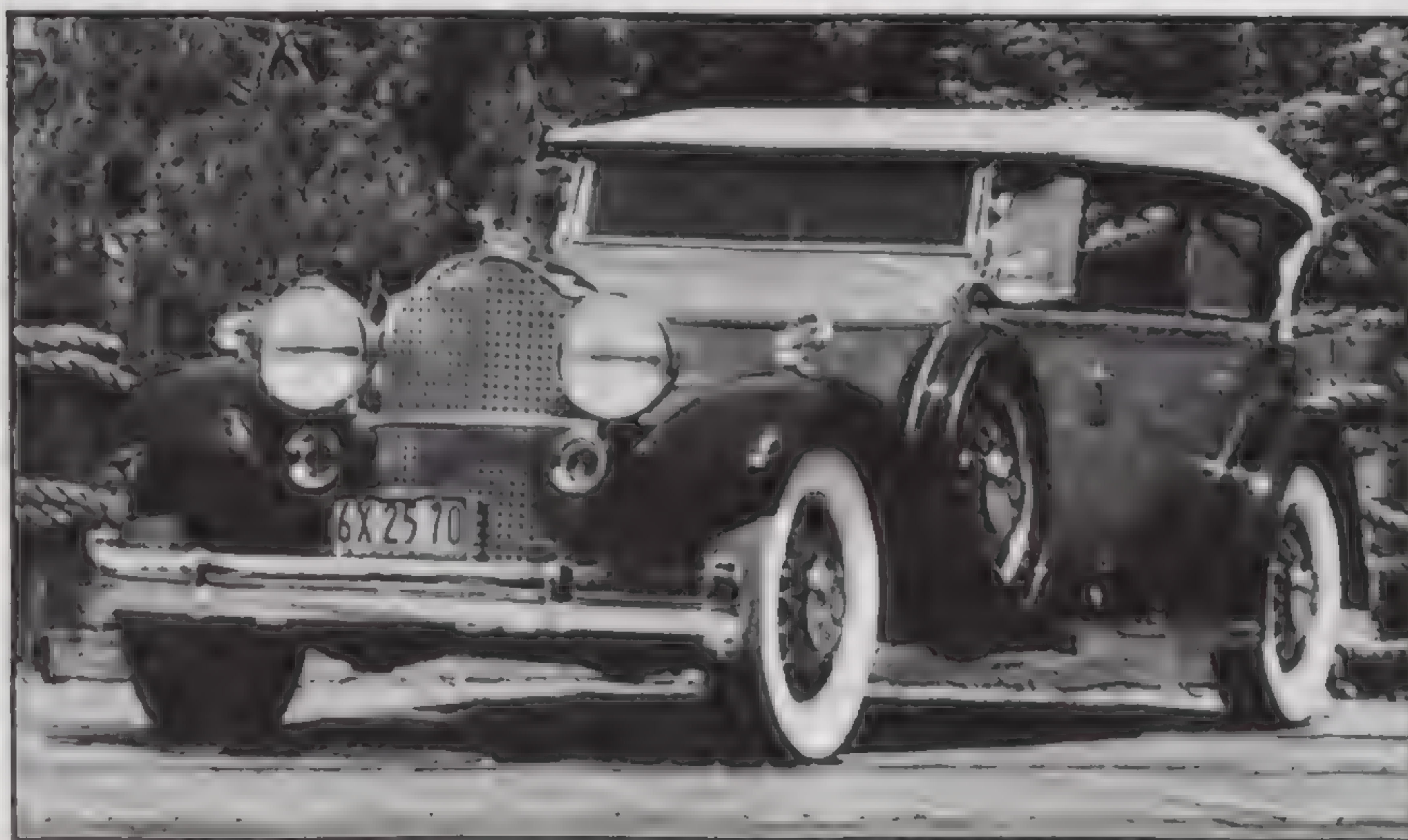
Executive Notes

Nissan to build Sentras in Tennessee. Nissan Motor Manufacturing Corp. U.S.A. has announced that it will begin production of the Sentra two-door notchback at its plant in Smyrna, TN, in April 1985.

Production of the Sentra passenger car will be combined with light truck manufacturing, which Nissan began at the Tennessee facility in June 1983. Plans call for the capacity to accelerate to 100,000 passenger cars and 140,000 trucks, and for employees to increase to more than 3,000 in a three-year period. ■

AMC's Tippet elected MVMA chairman. W. Paul Tippet, chairman and chief executive officer of American Motors Corp., has been elected chairman of the board of the Motor Vehicle Manufacturers Association (MVMA). He succeeds Philip Caldwell, chairman and chief executive officer of the Ford Motor Co., for the one-year term.

Named vice chairmen were Roger B. Smith of General Motors Corp. and Donald D. Lennox of International Harvester Co. Both are chairmen and chief executive officers of their respective companies. ■



An elegant Packard Dual-Cowl Phaeton is one of a dozen automobiles from 1932 that is featured at the Los Angeles County Museum of Natural History as part of a series of exhibits commemorating the Xth Olympiad and the lifestyle of the period. Other vehicles presented in an Art Deco setting, reminiscent of the popular '30s Automobile Show, are a Rolls-Royce "Springfield" Roadster, a Lincoln Model KA Sedan, a Ford B-400 Convertible Sedan, a Marmon Convertible Coupe and a 1932 Duesenberg.

GOLF TOURNAMENT DIRECTORS



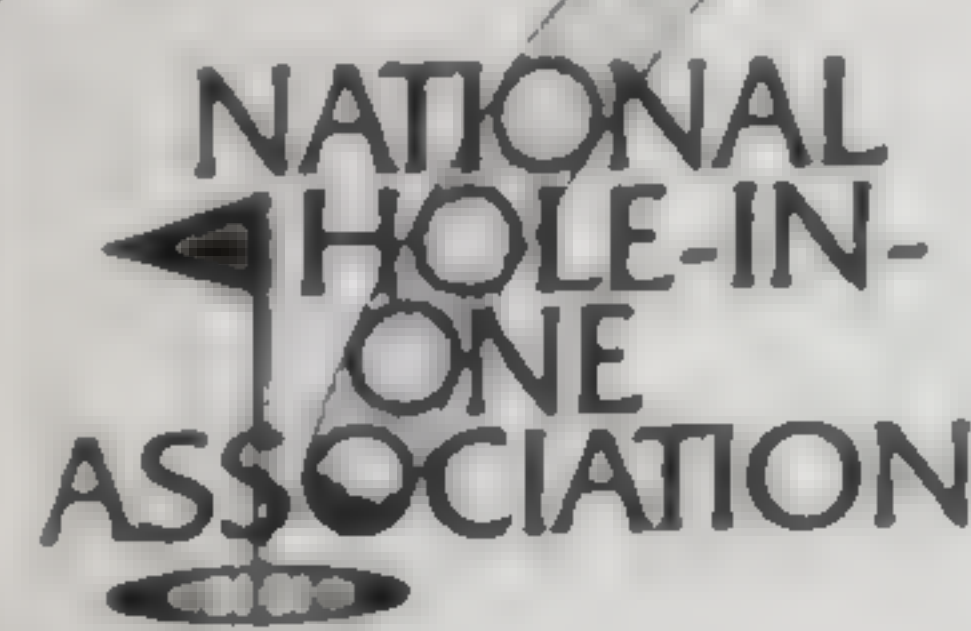
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(For more information circle #19)

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(For more information circle #16)

Chrysler Corp. celebrates technology at the 1984 Louisiana World Expo. Chrysler Corp.'s exhibit at the 1984 Louisiana World Exposition graphically demonstrates how a smokestack industry transformed itself with the latest in electronic, computer-assisted, state-of-the-art technology.

Millions of fairgoers will visit the bi-level, 20,000-square-foot pavillion shaped like the Chrysler Pentastar. It is the largest single commercial site at the Exposition. ■

Consumers in a buying mood. The Automotive Information Council (AIC) says that despite the recent step-up in interest rates this past spring, consumers are still in the mood to buy new cars.

Citing a poll conducted for the *Detroit News* by the University of Michigan's Institute for Social Research, 71 percent of those interviewed think the next 12 months will be a good time to buy a car. This percentage has remained relatively constant since the June 1983 poll. Fifteen months ago only 48 percent felt it was a good time to buy a car. Of those currently interviewed, 20 percent indicated that they or someone in their family planned to buy a car in the next six months. ■

Honda's Marysville plant reaches capacity. Honda has announced that production at its automobile manufacturing plant in Marysville, OH, has attained full capacity of 600 cars per day, on two shifts, for a rate of 150,000 units annually.

The \$250-million, one-million-square-foot Honda of America Manufacturing Inc. facility, which began production in November 1982, produces three- and four-door Accords.

"We are extremely pleased that our production target has been achieved ahead of schedule, an accomplishment for which all of our associates in Ohio are responsible. We appreciate the confidence shown by our dealers and customers," said Kazuo Nakagawa, president. □

Correction: In the item we ran on Joseph E. O'Daniel's 50th anniversary as an Oldsmobile dealer (May 1984), we mentioned that Oldsmobile presented him with a brand-new, full-size Olds. Well, that's not quite right. Oldsmobile did present him with a new Olds, but it was a porcelain replica of the 1910 model. Automotive Executive regrets the error.

(For more information circle #9)

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(For more information circle #4)

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PROTECTING WHAT MOVES US

Continued from front cover

FROM RUST TO RICHES

Remember, though, finding the right company to do business with is only half the equation to achieve profits. The other half is developing a successful marketing technique to sell *your* customers. As with choosing the right company, you may have to select the right marketing technique that suits your dealership, customers and region.

By Joan Rubin

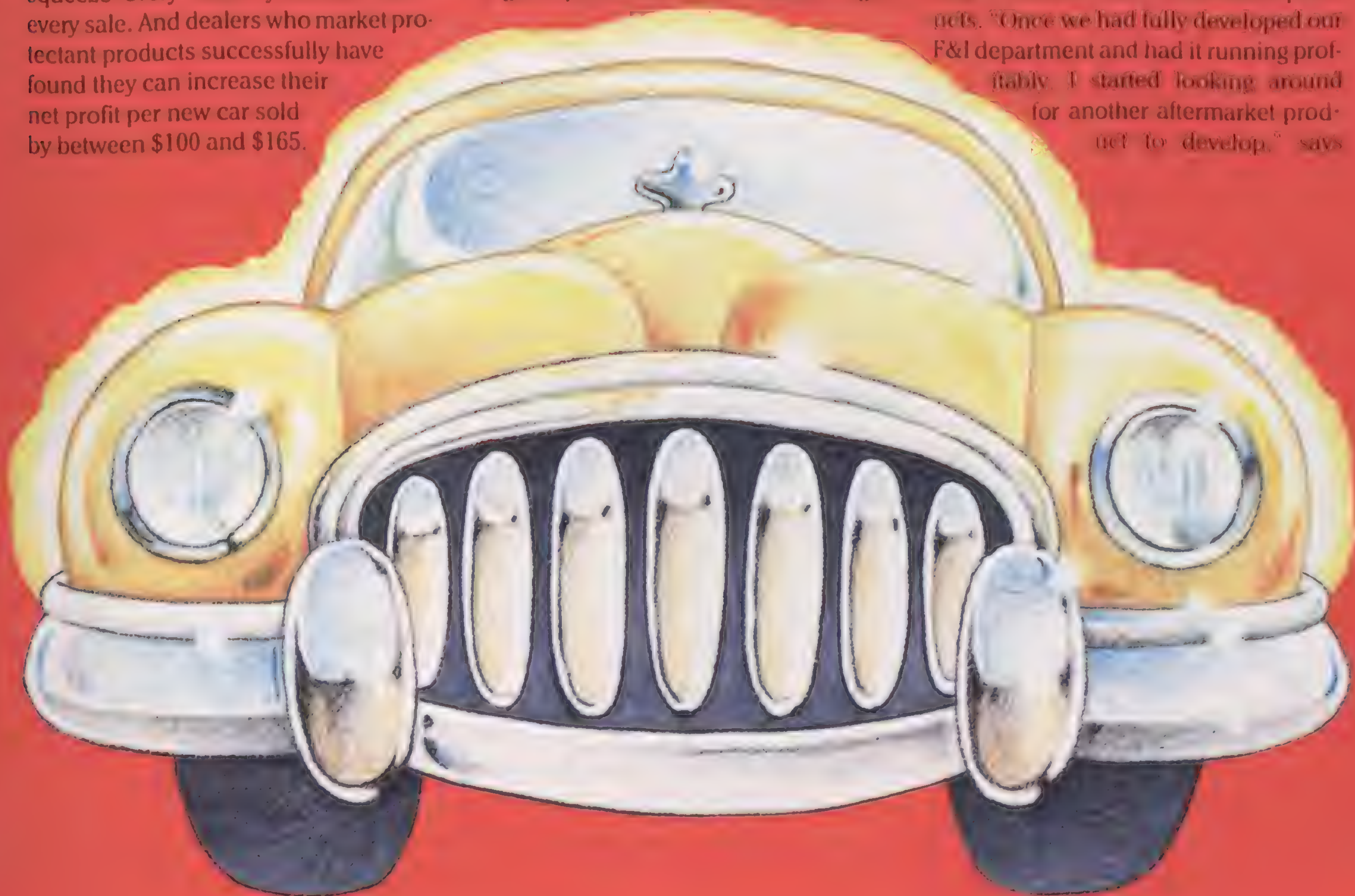
Profitability

Running a profitable store means a continuing search for new profit areas—in this day and age, it's important to squeeze every dollar you can out of every sale. And dealers who market protectant products successfully have found they can increase their net profit per new car sold by between \$100 and \$165.

Those who overlook this area are "really missing something," says Mike O'Daniel, O'Daniel Motor Center, Omaha, NE. "I really recommend this as a good profit center for dealers to get

into," he says. "It has increased our profits considerably."

In 1970, H&H Chevrolet, also in Omaha, became the first dealer in the area to handle these aftermarket products. "Once we had fully developed our F&I department and had it running profitably, I started looking around for another aftermarket product to develop," says



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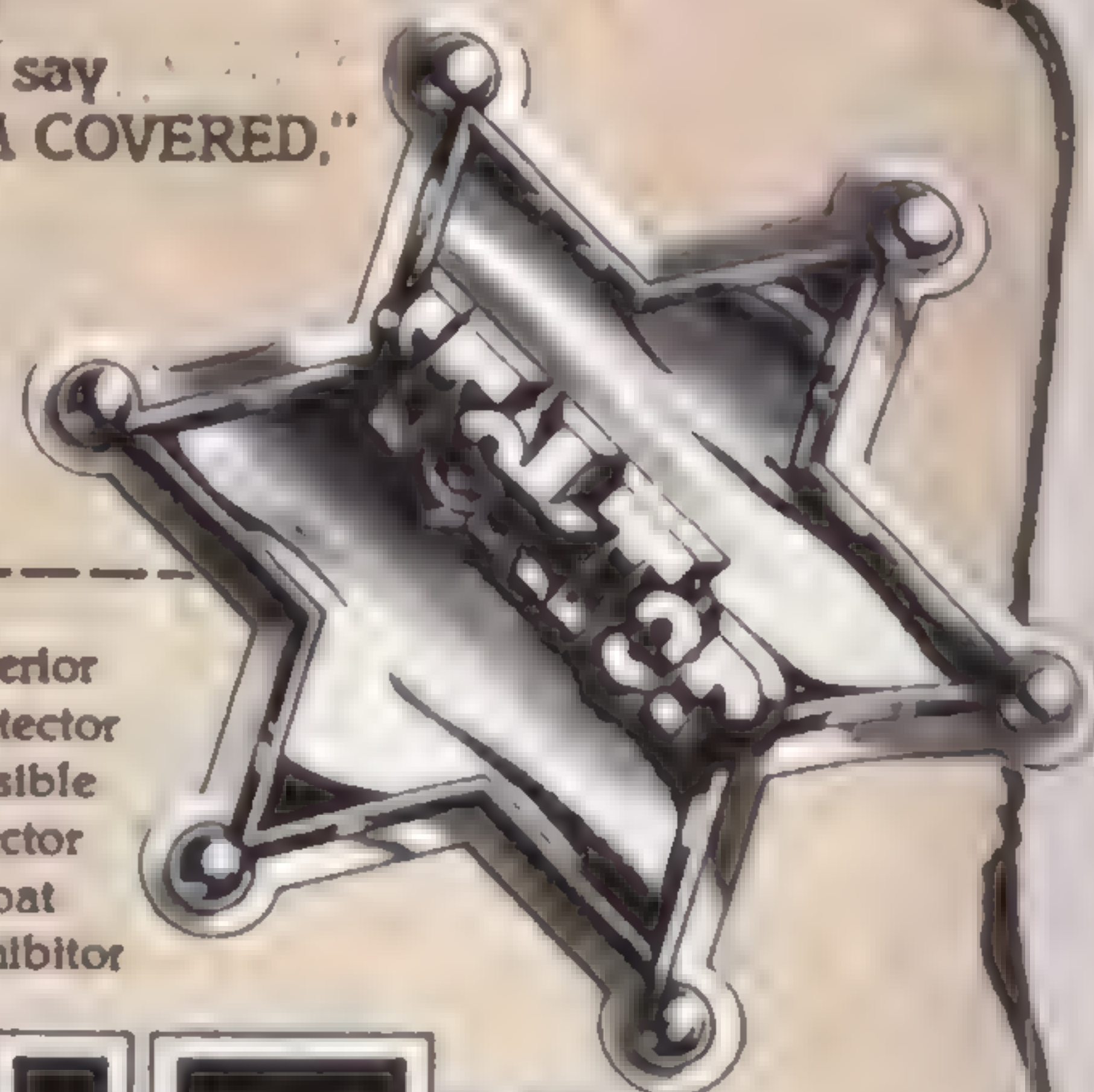
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These are tales of TekTor Rangers, personal endorsements by leaders in the automotive industry who started with TekTor or changed over to the TEKTO APPEARANCE PROTECTION SYSTEM along the way. In our industry every company seems to tout the same product and advantages, so we thought we would let some of our over 1000 dealers tell our story. We think you'll agree, TekTor's program really has differences that make it the best in the industry.

We are on the look-out for new "TekTor Rangers" — automobile dealers like yourself who are tired of the "drop-off then drop-out-of-sight" automotive appearance protection systems.

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FROM RUST TO RICHES

General Manager Marv Lanning. He saw that there was a market for rustproofing products—Omaha has hard winters and a lot of salt is used on the roads—but the only shops offering rustproofing were independent franchises.

"I felt if the market was good enough for an independent franchise to exist, there was potential for our dealership to

do well, too," Lanning says. "We could, in fact, do better than an independent because we are the point-of-sale—our customers find it more convenient to have everything done at once instead of having to take the car elsewhere for treatment.

"Customers like the fact that the rustproofing cost can be incorporated

into the financing of the car. Spreading that cost out over, say 48 months, makes it negligible. Going somewhere else means the customer has to write a check for the full amount."

"I'm glad our general manager had the foresight to recognize the profit potential of this area," says Bill Hinchcliss

(continued on page 31)

Who's Who? continued on pages 27 and 29

Company	Locations/ Field Reps	Yrs.	Products	Warranties	Dealer Liability	Will Train?
Automotive International Inc. Cincinnati, OH (800) 543-7156 (513) 489-7883 (OH)	58 Sales Reps/ Distributors	14	Waxoyl Anti-Rust Compound	Lifetime	None	Yes
			Glaze-Gard Paint Sealant	3-year	None	Yes
			Fab-Gard Fabric Protector	3-year	None	Yes
			Sound-Gard Undercoating	---	None	Yes
Bilstein Corp. of America San Diego, CA (619) 453-7723	65	10	R-2000 Anti-Rust Compound	New Car: Lifetime, transferable; Used Car: 5-year	None	Yes
			R-2000 Paint Sealant	5-year, transferable	None	Yes
			R-2000 Fabric Protector	5-year	None	Yes
Carecraft Industries Ltd. Jessup, MD (800) 638-9674	Locations in U.S. and Canada	7	Carecraft Metal Preserver (Rustproofing)	New Car: Lifetime, transferable Used Car: 5-year	None	Yes
			Carecraft Finish Preserver (Paint Sealant)	New Car: 4-year, transferable; Used Car: 1-year	None	Yes
			Carecraft Fabric Preserver	3-year	None	Yes
			Carecraft Vinyl/Leather Preserver	---	None	Yes
			Carecraft Comfort Preserver (Sound Shield)	---	None	Yes
Circle Marketing Corp. Cleveland, OH (216) 741-2488	Nationwide	21	Bodyguard Rust Inhibitor	Yes	None	Yes
			Bodyglo Paint Sealant	Yes	None	Yes
			Bodyguard Hush-Cote Underbody Protection	Yes	None	Yes
			Bodyglo Fabric Protector	Yes	None	Yes

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If you missed the convention, don't miss the chance to help in the restoration of America's most beloved landmark. Join us by sending your contributions to: Statue of Liberty, Ellis Island Foundation, 40th Street and Park Ave., New York, N.Y. 10078. And please be generous. America's greatest lady deserves the best!

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(For more information circle #20)

FROM RUST TO RICHES

Company	Locations/ Field Reps	Yrs.	Products	Warranties	Dealer Liability	Will Train?
Rusty Jones Inc. Chicago, IL (312) 989-7000	Nationwide	12	Rusty Jones Rustproofing	Lifetime, transferable	None	Yes
			Gloss Treatment (Paint Sealant)	Lifetime, transferable	None	Yes
			Fabric Treatment	-----	None	Yes
			Sound Treatment	-----	None	Yes
Siskin Enterprises Inc. Salt Lake City, UT (801) 359-9427	75 Sales Reps	8	Perma-Plate Paintguard	5-year, transferable	None	Yes
			Perma-Plate Paintguard for Used Cars	2-year	None	Yes
			Perma-Plate Rustguard	Lifetime, transferable	None	Yes
			Perma-Plate Fiberguard	3-year, transferable	None	Yes
			Perma-Plate Vinylguard	3-year, transferable	None	Yes
			Perma-Plate Soundguard	3-year, transferable	None	Yes
Thermo-Guard Inc. Fort Lauderdale, FL (305) 735-4700	Nationwide	8	Paint Sealant	3-year	None	Yes
			Rustproofing	Lifetime	None	Yes
			Fabric/Suede Protector	3-year	None	Yes
			Vinyl/Leather Protector	3-year	None	Yes
			Quiet Ride Sound Shield	Lifetime	None	Yes
Total Systems Technology (TST) Pittsburgh, PA (800) 245-4828; (800) 472-2775 (PA)	24 Distributors; 14 Factory Field Reps	6	TST 5000 with Teflon Paint Sealant	5-year	None	Yes
			Super Sealant Paint Sealant	3-year	None	Yes
			Rust Remedy	Lifetime	None	Yes
			Silent Rider Undercoating	Lifetime	None	Yes
			Tough Screen with Teflon Fabric Protector	5-year	None	Yes
Ziebart Rustproofing Co. Troy, MI (313) 588-4100	365 U.S.; 72 Canadian	22	Rust Protection (New Car)	Lifetime, transferable	None	Yes
			Rust Eliminator (Used Car)	-----	None	Yes
			Paint Protection	5-year	None	Yes
			Interior Protection (Fabric Protector)	-----	None	Yes
			Chip Stop (Lower Body Paint Protector)	-----	None	Yes
			Vinyl Top Protection	-----	None	Yes

#1 IN A SERIES

TRUST

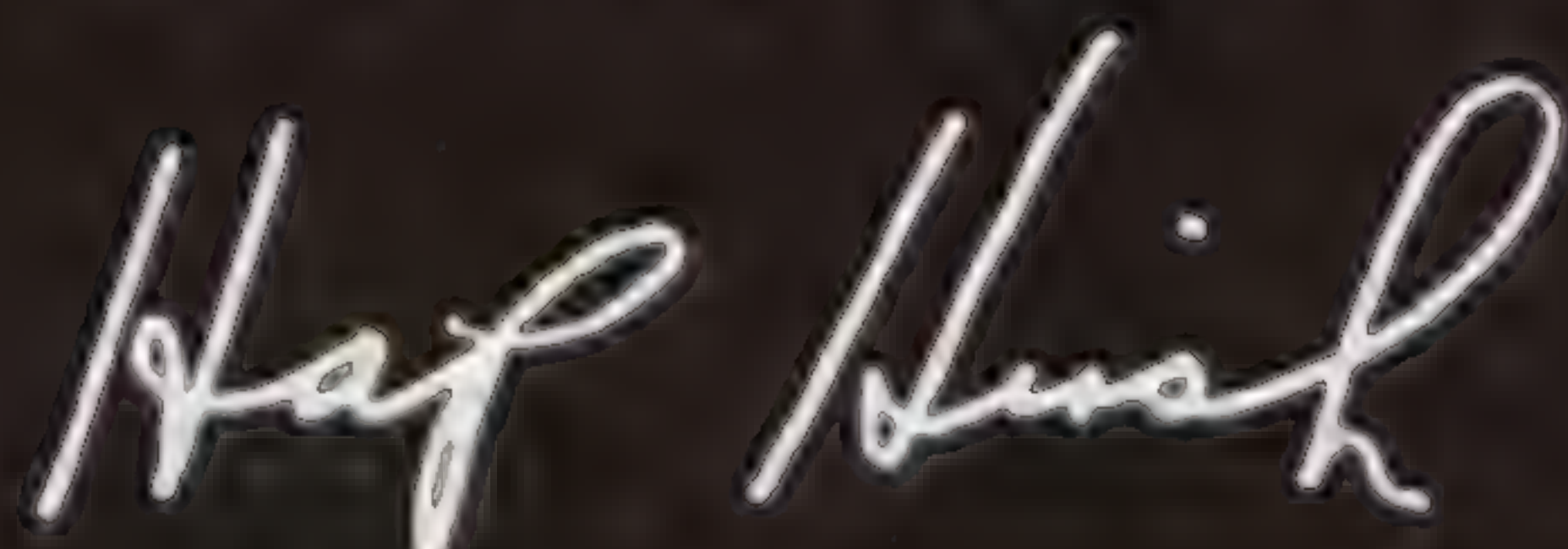
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FROM RUST TO RICHES

(continued from page 25)

of H&H Chevrolet. "We're into it extensively now, and our profits have increased tremendously."

Marketing

Three basic methods are used by dealers to market protectant products to customers: pretreat all of the inventory and include the cost in the sticker price; pretreat some cars and use them to sell the products; or sell the items completely as aftermarket products.

Some, like Bill Campbell of Metropolitan Lincoln-Mercury, Nashville, TN, pretreat all cars. "We pretreat all our cars before they go into inventory, and include it in the sticker price of the car. We don't use it as an aftermarket sale item," says Campbell.

"We pretreat 75 percent of our cars and market it as a package," says Stu Hansen, Stu Hansen's Dodge City, Des Moines, IA. "We strongly market the benefits of the products to the customers. We feel that treating the cars in advance helps with the marketing."

Lancaster Toyota in Lancaster, PA, follows the same strategy. "We pretreat all of our cars and sell the merits of the treatment to the customer. We do this because we feel it's a fine product," says General Manager Robert Allen Jr. "The customer, of course, has the option of ordering a car without the treatment."

Says Mike O'Daniel of O'Daniel Motor Center, "We apply the rustproofing, paint sealant and fabric treatment to all our demonstrators and all cars on the showroom floor, but not on the rest of our inventory. This gives customers the best possible presentation of the product. That's the best thing we have done to promote sales of these products," he concludes.

A third marketing technique is to treat these products strictly as aftermarket items.

"We don't pretreat—we sell the product separately," says H&H's Lanning. "In my opinion, if it were done on all of our inventory, it would break down our aftermarket sales principle. We first sell the unit and then we sell the rustproofing, which is applied in get-ready."

Ed Hunt, new-car manager of Edward Oldsmobile in Phoenix, AZ, agrees with this marketing principle. "We use it completely as an aftermarket item," Hunt says. "A lot of dealers will put it on their inventory and then sell it to the customer as an item that has to go with the car. After we sell a car, we sit down with the customer and explain the benefits of the protectant products we carry."

"In terms of accounting," says H&H's Lanning, "we compensate our salespeople directly on the sale of these products as an aftermarket item. We have never included the profits from those products in the gross profits of the automobile. We keep it entirely sepa-

rate—the grosses from our cars stand on their own two feet, and the profits from the rustproofing and protectant products stand on their own two feet."

A dealership's location can have a major influence on the protectant products it can market. Rustproofing is a big seller in the Northeast and Midwest, where corrosive road salts are used in the winter. But it doesn't sell at all in the Southwest (although some dealers in that region promote sound shield as an alternative profit item). Paint sealant, however, is a big seller in the Southwest and along both coasts, as a protector against salt air. Fabric protector can be strong anywhere in the country.

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(For more information circle #6)



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(For more information circle #41)

FROM RUST TO RICHES

But it all comes down to how good your marketing techniques are. "In California, paint sealant is more apropos than rustproofing, but if you know how to sell rustproofing—it also seals the car and works as a sound deadener—you can make a profit from that, too," says Lanning.

Choosing a Company

There are many factors to consider when choosing a chemicals and protectants company. The place to start is with a comparison of the various companies, to find the ones that offer the products you want (see charts beginning on page 25).

One important factor is stability. Has the company been in business for a while? Does it have a good reputation? "The company we do business with has been in the market a long time and has a good reputation," says Hansen. "We sell the fact that they've taken good care of our previous customers. That good reputation means a lot."

Once you find a company with a good reputation and quality products, it's important to stick with them—it will reward you down the road.

"Consistency in using a product is important," stresses Allen of Lancaster Toyota. "We've been using the same rustproofing product since 1980. We could probably buy a lower price product, or one that is easier to apply. But this company has a good warranty and a good reputation. Even though we might be paying \$10 more per car per application, we feel that being consistent in a product line is important."

"We also recently began marketing a paint sealant product from another company that has a good warranty and a good reputation, and we're going to hang in there with them, too," Allen says.

"We use this consistency idea in marketing all our aftermarket products," he continues. "We can tell our new customers that we've been selling this product for x number of years, and our previous customers have been very happy with it. It's a very effective selling technique."

Dealership employee training is another area that's important. You don't want to go with a company that's just going to back a truck up to your dealership, drop off the drums of chemicals and drive away.

Most of the major companies offer employee training, both in how to apply the product and how to sell it. It's also important that someone comes back frequently to go over the techniques. Says Hansen, "We have someone come by at least once every two months and go over everything about the company at a sales meeting. This way the salespeople are kept up-to-date on the products."

Everybody's a Winner

"I feel everybody's a winner in this area," says H&H's Lanning. "The dealership gets increased profits, the salespeople are compensated and the consumer gets a fine product that increases the value of the car."

"Rustproofing is a big selling point of our used-car lot," he continues. "We very readily point out to a used-car customer that a car has been rustproofed, and it helps bring higher dollars for that used car." □

Joan Rubin is assistant editor of Automotive Executive magazine.



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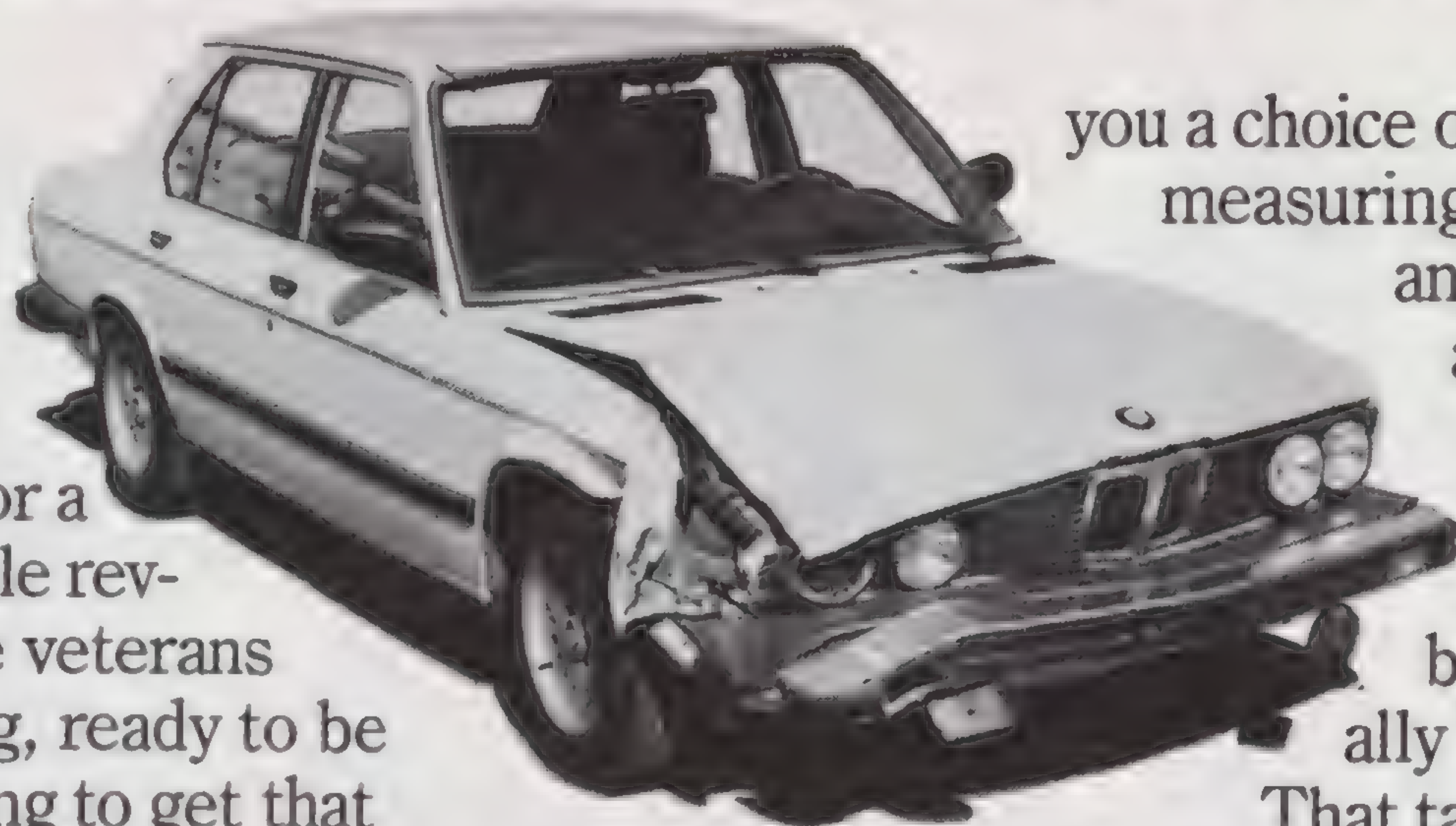


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It's easy to learn. And it can pull a car back into shape faster, easier and more accurately than anything else on the market.

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But what really makes Dataliner so effective is a special combination of measuring and pulling that no other system can match. We give

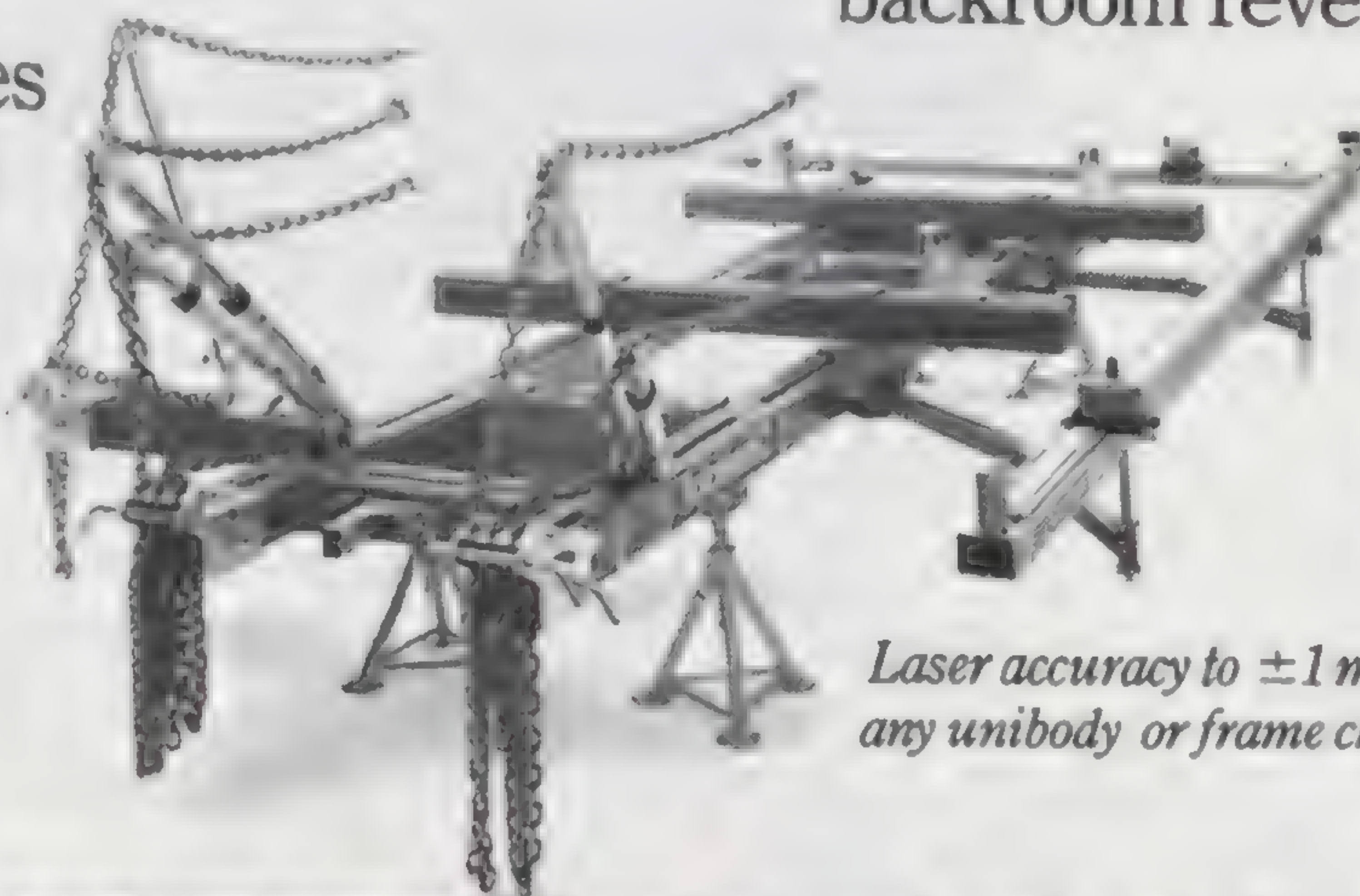


you a choice of two patented measuring systems (laser and mechanical) and all the pulling power you need to turn bashed bodies back into beauties. And actually beat factory specs.

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(For more information circle #22)

Your service personnel may have the toughest job in your dealership, because diagnosis has become more difficult in recent years.

The days of old when service people could diagnose with a good ear and a

types of repairs or to buy the needed tool and perform the repair in-house. The question is, is it worth the price?

My answer to this is derived from the general industry rule, that if your sublet bill for a particular repair such as align-

vance. And, while it's not simple, there are procedures and worksheets for reaching a decision based upon facts. By using the worksheet on page 39, you can accurately predict the return factor. Abstract factors, such as faster repair

Keeping Up With High Tech

by Ron Joffe

wrench are gone. It used to be that having seen, smelled or heard certain symptoms was enough to get the ball rolling on a repair. Nowadays, smoke, smell or sound can indicate numerous malfunctions.

Simplicity has been replaced with high-tech vehicles, special training and new equipment. The burden of keeping up with these service and repair changes has fallen to the dealership. Dealers who don't keep pace will lose not only service dollars but also sales, and, worst of all, their good reputations.

Investing in Tools and Training

It is virtually impossible to diagnose, and, in some cases, repair today's vehicles without all the prerequisites. Yet, dealers are often reluctant to spend money on repair equipment. My experience tells me that this is because they are unfamiliar with the consequences of not purchasing the needed items. But the fact remains it is imperative to properly outfit your service department. Technology has made it impossible to do without. Competing dealers who keep up with changes will eventually absorb the customers of those dealers who don't.

The need for adequate tools is obvious. However, there are times when a service manager or dealer must make a decision on whether to sublet certain



ments, resurfacing rotors or welding exceeds 5 percent of your monthly customer labor figure, then you should consider buying that particular piece of equipment.

For example, if your total customer labor for the month is \$30,000 and the total for subletting resurfacing of brake rotors and drums for the month is \$1,800, you should consider purchasing a resurfacing machine.

Return On Investment

Dealers often ask how long it will take to realize a return on the investment in tools and equipment. Obviously, this is an important aspect of any dealership purchase. The more expensive the equipment, the more important it becomes to determine this factor in ad-

times and more satisfied customers, should be considered as positive elements too, because they impact your bottom line.

If you send your technicians to training centers, they are instructed with the aid of the necessary tools. When they return to your dealership and find no compatible equipment, they are not only technically handicapped, but also their morale is affected. Technicians look forward to making more money and developing professionally. Training and equipment, properly employed, will allow them to advance and will help you make money, too. Employee morale in a properly equipped shop is usually better than in a poorly equipped service department or one where the equipment is in need of repair.

Ron Joffe is the service director for Straub Motors Inc. in Keyport, NJ. He is a regular contributor to Automotive Executive magazine.

High-Tech Service

The morale of supervisory service personnel is also affected. When a promised customer repair is not completed because of a lack of proper training or improper diagnosis, your service writers must face the customer in a situation they can't control. A well-equipped shop presents a feeling of security and professionalism for all the department employees. Employee pride in being able to perform repairs correctly, along with increased customer confidence in a well-equipped service department, are intangible benefits to a dealership's business reputation.

Buying Tools and Equipment

Once you decide to purchase equipment, the legwork begins. There are almost more suppliers than there are tools. The decision to purchase a particular item should not be based solely upon price. Its appearance, function, serviceability, durability, future obsolescence and ease of use all should be taken into account.

Buying a large electronic analyzer, for example, brings all of these factors into play. The functions performed by a larger unit may enable you to forego purchasing several smaller items. A large unit is less likely to "walk out the door," but it can only be used by one technician at a time. Having a few smaller units means that several technicians can be at work simultaneously, increasing productivity.

Before purchasing a large piece of equipment, ask your sales representative for some dealer references. Contact people who have used the equipment to get downtime history, service response by the seller, and most importantly, whether it filled the shop's needs. Always request an in-shop demonstration and, when possible, acquire a loaner machine for a couple of weeks. Where to purchase? The answer is simple. Buy where all of your criteria are met. There

are many avenues to pursue when you are about to make a large investment. Trade magazines are probably the best place to start. The companies that advertise in them usually have the right tool for the right job.

Most trade publications, such as this one, use reader service cards to simplify your task. Mailing these cards triggers a mail order response and usually a follow-up call from a local salesperson.

If you belong to a dealers' cooperative, you may be entitled to a discount by purchasing through a participating merchant. In many areas of the country, traveling salespeople with trucks as display showrooms will visit you. There are also tool supply companies listed in the phone book. These usually handle a great variety of tools and brands.

Purchasing through automobile manufacturers is becoming increasingly popular. Each major corporation has set up systems to handle dealer purchases of any tool, from a socket wrench to an inground lift. Some larger items may even be ordered through local merchants.

Daniel J. Murray, general manager of General Motors Dealer Equipment, says GM went into the equipment business for a number of reasons. "It provides dealers an effective means of improving overall service efficiency by taking advantage of technology, quality and cost efficiency.

"The items in our catalog were selected to interface with future product needs, so everything is coordinated with development, not just marketing.

"Our main thrust is to provide a tool that will have a practical application life of at least five years. The design of most of the equipment emphasizes dependence on itself rather than the operators. The response of our dealer body has been very strong in the short time the program has existed."

John Dingens, manager of Ford Rotunda, says, "All equipment is thoroughly tested before the Rotunda label goes on. Most items have a 12-month warranty, backed by repair service."

The Rotunda program forecasts 10 years ahead. "We plan ahead and as production nears we intensify our efforts so our tools are ready when the new cars are released." Rotunda's catalogs are geared toward service managers and dealers. "Our program has been around for 21 years. We have 90 suppliers and 5,000 products," says Dingens.

Dealers generally concur on industry trends and the needs of the modern service-oriented dealership. Ray Catena of Ray Catena Motor Car Co., a large Mercedes dealership in Edison, NJ, says all equipment purchases at his store are generated by his service manager. When the manager decides he needs a tool, he has the authority to make the purchase.

Catena is a proponent of technician training and the latest in diagnostic and repair equipment. "The future of the automobile repair business will eliminate the back-alley mechanic. Only properly trained and equipped service technicians will be able to perform future repairs," he says.

Larry Fette of Fette Ford in Clifton, NJ, praises Ford's Rotunda program. "We purchase most of our tools from Rotunda because the items are properly designed and priced right." His service manager is authorized to purchase tools, with equipment acquisitions reviewed by Fette. He adds that they purchase tools and equipment as needed—in the past, they purchased for future use but by the time the tool was needed, it was either no longer compatible or had been replaced. Fette is also a firm believer in training and insists on a good rapport with factory personnel.

Pete Mullen of Bob Sharp Motors in Wilton, CT, has been on the job there for 15 years. "Sometimes I spend six months researching before we decide to buy a piece of equipment. The equipment we buy is just barely keeping up with today's high-tech cars, and it's the best available.

"Our training program is very good when it comes to training the average technician for the average repair, but it

ATTENTION: Ford and Lincoln-Mercury Dealers

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AND BUMPER
POUND
• FIXED
AIR COOLING
ULTRASONIC
GRINDING
AND
ULTRASONIC



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REAR WINDOW TESTERS • LOCKERS •
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• RINTERS
• TER BITS
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• NAMON



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• T COM-
• FILTERS
• NETS
• KS
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FLOOR JACKS • TIME RECORDING
TANKS • VALVE GUIDE SERVICE
• PIT RACKS • ENCLOSED

• CHAIN HOISTS • SHOP FURNITURE • VALVE RETACING EQUIPMENT • IMPACT
WRENCHES • PARTS BINS AND STORAGE EQUIPMENT • RADIAL RUN-OUT
GAUGES • MINI LUBE CENTERS • LUG NUT KEY SETS • CAR AND TRUCK

BALANCERS • MacPHERSON STRUT EQUIPMENT •

CHARGING SYSTEMS • TRAFFIC CONTROL SYSTEMS • BAT-

TERY CHARGERS • PHOTOELECTRIC TACHOMETERS •

• COOLING SYSTEMS • DISC LATHES

• ALIGNMENT EQUIPMENT • TRANSMISSIONS

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When you buy Rotunda you get more than equipment. All of our products are evaluated and tested on Ford and Lincoln-Mercury vehicles to assure they're right for your dealership . . . right for today . . . and right for tomorrow.

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As demand on your service department rises, shop proficiency must rise. Anything short of top performance is simply not acceptable. That's true for your service professionals. And, it's true for the tools they use. There's no better way to maximize the return on your investment. In facilities and equipment. In your service technicians and the tools they need to stay on schedule.

Snap-on's reputation is based on that kind of performance. Toughness, precision and availability mean dependability. The right tool for each job. In hand, when it's needed.

Just as you do, we believe in service. Quick response for quick shop turnaround. That's why Snap-on fields the largest

dealer network in the industry. With dealers whose expertise lets them get in, solve your tool-related problems, then get out without wasting valuable production time.

Snap-on also maintains 53 branch offices, strategically located service centers and regional repair facilities. Factory back-up when you need it. For service and reliability that make a difference.

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Snap-on

...there is a difference

(For more information circle #30)

High-Tech Service

is not sufficient to prepare them for extraordinary problems we occasionally encounter. Last year we spent 900 hours in the classroom."

On the training aspect, Joseph Rowe, manager of GM's Training Center in Union, NJ, says, "There's now an emphasis being placed on the diagnostic area of all repairs."

"There's a trend toward electronics, and we will offer several electrical system courses (now in the final stages of development) intended for the layman."

"Attendance at our training center has increased recently, but the attendees are usually from the same dealerships that always participate. The fact is, without classroom instruction, many technicians will not be able to fully use the tools that are purchased."

What's the Bottom Line?

As the person who foots the bills for all expenses in your dealership, you should check equipment and tool purchases very carefully. Your sales and service agreement contains a tool list to enable your technicians to perform basic repairs efficiently.

If you're a dual-franchise dealer and you've already purchased a major tool or equipment item, you can compare the list requirements and avoid a duplicate purchase. Your franchises could share the use of major tools or equipment.

The most important reason for proper diagnostic procedures and repair tools is safety. The technicians' job is inherently hazardous. By training and supplying them properly, you reduce the chance of injury. We are not only morally obligated to take every step possible to reduce hazards, but we also do not want to be victimized by the loss of

an employee. Injury on the job in this country costs employers millions of dollars each year.

I recommend that all dealers get involved in tool and equipment acquisitions,

even if only superficially. You will see where your money is going and show your service employees that you are concerned about something that is central to them. ☐

SALES OF SERVICE		Subtotals	Totals
1. Competitive selling price of service job			
2. Jobs per day			
3. Business days per year			
4. Business per year (multiply 1 x 2 x 3)			
LABOR COST COSTS			
5. Labor rate, hourly (including benefits)			
6. Labor hours, per job (actual content)			
7. Labor cost per job (multiply 5 x 6)			
OVERHEAD COST			
8. Overhead cost per job (multiply overhead cost/hour by stall/hour cost)			
EQUIPMENT COST			
9. Equipment price (including interest) or lease cost			
10. Building modification			
11. Installation and training			
12. Total equipment cost			
13. Life of equipment cost			
14. Equipment cost per year (divide 12 by 13)			
15. Business days per year (line 3)			
16. Jobs per day (line 2)			
17. Equipment cost per job (divide 14 by 15 by 16)			
OTHER COSTS			
18. Costs such as shop supplies and parts per job			
TOTAL COSTS PER JOB			
19. Labor, overhead, equipment, comebacks, and other costs (add 7 + 8 + 17 + 18)			
PROFIT FROM SERVICE JOB			
20. Total revenue of service job (line 1)			
21. Total costs per job (line 19)			
22. Profit per job (20 - 21)			
23. Business days per year (line 3)			
24. Jobs per day (line 2)			
25. Profit per year (multiply 22 x 23 x 24)			
RETURN ON INVESTMENT			
26. Profit per year (line 25)			
27. Equipment cost per year (line 14)			
28. % return on investment (26 ÷ 27 x 100%)			

Using this worksheet, you can predict how long it will take to realize a return on your investment in tools and equipment. See details on page 35.



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Increases revenues.

GM dealers can use this system to provide customers with an alignment service that has more value than simple front-wheel alignment. By offering this complete capability, dealers can often take a competitive advantage in their area.

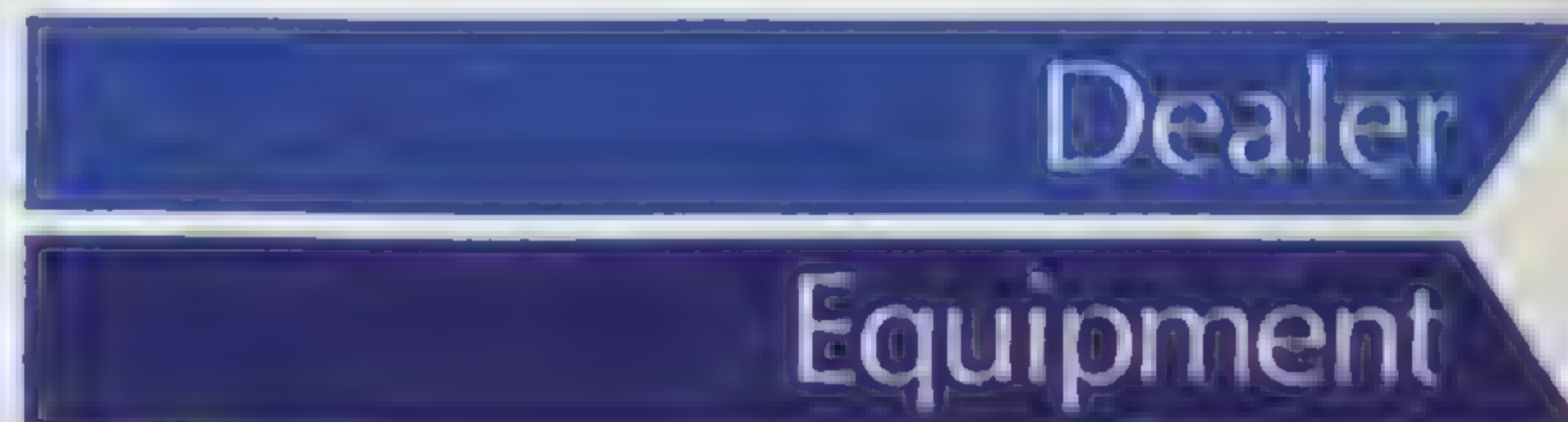
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(For more information circle #13)

Photos by Gary James



Bill Breck attributes his success to a strong and loyal staff.

Truck Dealer of the Year **BRECK** “Real People” *by Gary James*

Tough as a bulldog” reads the inscription on Bill Breck’s cigarette lighter, and, based upon the deep wrinkles on this suntanned Arizonan’s face, you’d think that phrase served as a good warning.

Nothing could be further from the truth. This long-time dealer, 1984’s ATD-Business Week Truck Dealer of the Year, exudes western charm. Breck is “real people,” say employees at Bill Breck Dodge-Mack (Mercedes) in Tucson.

When he returned home in early April after winning the award at the ATD Convention, a huge sign was draped across the front of his new-car showroom: “Congratulations, Boss!” Inside, gifts of flowers from civic and business leaders spilled over his desk.

Breck attributes his success to a strong staff, who stand behind him with fierce loyalty. He hires employees

young and keeps them for life. Service Director Gary Weiss, a 20-year employee, started at 17 as a car jockey. Tommy Hickman, 44, started at the dealership 25 years ago working side-by-side with his father, Breck’s parts manager. Now Tommy has the job. Robert Davis, manager of heavy duty parts sales, has worked with Breck 12 years.

Jerry Miller, 49, “one of the best truck sales managers in the country,” according to Breck, joined the team in 1962 with no truck sales experience. The list goes on.

“I never worry when I’m out of town,” Breck says. “My staff is like family.”

Riding All Night

Breck, a Montana native, started his truck career in 1946, when he turned down a sales job at H.J. Heinz to buy a moving company in Bozeman. “Dad always told me it’s important to control

your destiny. One drawback of working for a big corporation is the better a job you do, the more they move you. And this western ranch boy didn’t want to go to Pittsburgh.”

Breck worked 18 hours a day “to pay off the bank,” he says. Six months after he opened, GMC knocked on his door, looking for a new dealer. Although the closest he had ever been to a dealership was pumping gas, he snapped up the offer and, soon after, added Hudson and Kaiser-Frazer franchises.

In those days, GMC freighted trucks to dealers by rail. To speed delivery and shave costs, Breck picked up trucks from the distributor in St. Paul, MN, and drove them back across North Dakota and Montana himself. “I’d ride all night and part of the day on the train to get there,” Breck recalls. “But our trucks were always a couple of hundred dollars cheaper than our competitor’s.”

When they heard of Breck's award, local civic and business leaders filled his office with flowers and gifts.

That first year, W.D. Breck Motors had a net profit of \$20,000. He was riding high, and business kept getting better. In 1951, however, his two sons caught pneumonia, and the family moved to sunny Tucson. "It's always cold in the Montana mountains," Breck says. "If you wake up late on the 4th of July you miss summer."

Tucson was so small when he arrived that Breck created his own business to find work. He owned and operated a used-car dealership, then joined Young Buick as sales manager. In 1959, he acquired a Dodge car and truck franchise.

He located the store on East Speedway Boulevard, on the outskirts of downtown. "Everybody said I'd last six months, because we were so far out in the country. But that never bothered us. We went out and found business instead of waiting for it to come to us."

Within three years, Bill Breck Dodge was one of the company's top dealerships. The previous franchise had never sold more than 30 heavies in the Tucson area in any year. Breck was selling more than 400.

During the '60s, Breck's dealership saw "rapid growth," he says. "The mining industry was booming, and so was construction. Business stayed strong right up until 1975, when Dodge left medium and heavy trucks. That was like losing our right arm."

In 1968, Breck acquired a Mack franchise. That was more than a small gamble, since there was only one Mack truck in all of southern Arizona. "Mack was a dirty word out here," he says. "We knew the product was good, but we had to get the word out."

Sales Success

Last year, Bill Breck Dodge-Mack was Mack's top distributor in the western U.S. The company sold 148 new and used heavy trucks. In all, Breck captured 38 percent of Tucson's medium- and heavy-duty market in 1983, a figure that would be even higher if off-road, unlicensed mining vehicles were included.

Breck's Dodge car and light truck dealership, next door, also did well,



selling 814 new and 813 used cars in '83.

"We're experiencing a fantastic '84, too," Breck says. "It's a catch-up year for our big customers. Housing, mining, roadwork and hotel building are all up. They're adding to their fleets, not just replacing old trucks."

Copper mining and construction account for the bulk of Breck's heavy truck sales. Because Tucson is located "off the beaten track," Breck says, the dealership draws virtually no orders from the major freight companies.

Like the rest of the truck industry, the last few years were tough ones for Breck Dodge-Mack. First there was the Chrysler slump from 1979 to 1982. Breck had 12.5 acres of cars and trucks on the lot when Chrysler had a tailspin and interest rates shot to 20 percent. "Those were our darkest days," Breck recalls. "What do you do with \$400,000 in parts if you have to close the doors?"

Breck and his son, Danny, general sales manager of the Dodge store, cut expenses to a minimum. Auto inventory was reduced from \$4 million to \$1 million, and personnel dropped from 120 to 98. Salespeople pushed used cars hard because "Chrysler wasn't making used cars." Breck ran new cars off the lot at invoice, just to keep them moving.

Copper mine strikes and a fading Tucson economy complicated matters from 1980 to 1982. "It was tough as nails to sell," says Breck. "All we could do was keep trimming. We even charged employees for coffee, which saved \$300 a month. We hung in there. But it was sad to watch some of my Mack idols go bankrupt," Breck says.

Even though business is back, and Mack now offers floorplanning at 14 percent, Breck's truck inventory remains lean. That's partly because or-

ders are backlogged up to six months due to production delays. Still, Breck doesn't foresee returning to 20 to 25 big trucks on the lot. "We were too chesty before the recession," he says. "We're making more money now with less inventory. I don't like empty shelves, but there's no sense having wall-to-wall trucks, either."

Breck continues another practice learned during the recession: reconditioning and selling used trucks. The dealership routinely invests \$6,000 to \$12,000 in fixing up trades, including cosmetic and mechanical work. "We turn around and sell them for top dollar. We get as much for a completely reconditioned '73 as when it was new," says sales manager Jerry Miller.

The parts and service departments are just as aggressive. In 1983, the dealership sold \$1.9 million in car and truck parts. Service sales topped \$1.7 million. This year, parts sales are expected to top \$2.2 million. Tommy Hickman and Bob Davis, parts managers, say the dealership's success depends on its ability to service customers—large and small.

"If a trucker needs a \$2 gasket, he needs it. He can't afford to wait a week for delivery because the order's so small. He makes his living off that machinery," Hickman says.

Among Breck's customers are several dealerships in Mexico. Bilingual salesmen on his staff make business south-of-the-border easier. "We do brisk trade with Mexico," Hickman says, "but the exchange rate hurts us. There used to be 12 pesos to the dollar; now there are 175."

Breck recently lost an order for 50 new trucks from a Mexican company for that very reason. But he continues to do steady business with several interna-

tional construction firms, such as Sun Construction. Mack headquarters in Allentown, PA, delivers his trucks to Houston, where they are shipped to overseas destinations. "It says a lot for Mack quality that Sun buys from us rather than the Europeans. They can drive their trucks down the continent overnight."

The Breck Touch

Breck's success centers on personal service. That service continues long after the sale is over. "People don't just buy a truck from us," Breck says. "They buy us."

It's not unusual for sales manager Miller or his right-hand man, Mel Jordan, to drive 200 miles to an account. They talk to drivers about service needs and performance. They also see if equipment needs replacement.

When Jordan or Miller make a sale, they have three goals. "It's no mystery," Miller says. "The truck must start a load, support it and stop it. What's surprising is how many operators buy equipment that falls short."

Several years ago, Breck Dodge-Mack lost a sale to a furniture company over price. "They gave him a better deal, but the engine wasn't right. It takes a certain amount of horsepower to move a truck with a full load 50 mph up a hill. His truck limped down the highway at 30 mph. After that experience, he came back to us to buy his next truck. We won't stick somebody in the wrong truck just to make a sale."

In fact, Miller has walked away from prospects if they wouldn't take his advice. Breck says, "We want to match the truck to the customer's needs, not figure out how to cut corners."

Breck's salespeople talk specifics—tonnage, torque, gear ratios, mileage, application. Included in their pitch is a detailed list of componentry and equipment. "We're never guilty of under-equipping a truck. Many of our customers, especially the big accounts, have never been behind the wheel," Breck says. "They have no idea what they need. They rely on us to select the right Mack or Mercedes for the job."

Sometimes that faith is tested. "Last week, a customer called Jerry for a used Mack tractor right away. He didn't care about cost, but wanted it on site the next morning. That night, we reconditioned a unit we had bought in Montana. We had it on the road the next day, masking tape flying in the wind. If that truck hadn't been in stock, we would have combed other local dealerships for a good unit. We couldn't send a 'sled' out there that was going to break down."

Another practice that sets Breck's dealership apart is standardization. Breck recommends larger customers purchase similar groups of trucks, fitted for specific tasks, rather than mixing different models. He and his sales staff also look at how trucks can be used in five to 10 years when they're no longer suitable for original purposes. This enables customers to maximize investments in equipment.

"A consistent fleet is easier to maintain and operate," Breck says. "All of a company's 10-wheel dumps ought to be the same. Some are driven by four different people during a week. If the fleet is standardized, they can jump in blindfolded and know that the shift lever, clutch, brakes and controls are exactly the same. They won't tear them up as quickly."

Community Involvement

Breck is active in civic and industry affairs. Names like Tucson Airport Authority, Highway Users Federation, Southern Arizona Livestock Association, University of Arizona Foundation, YMCA and Tucson Chamber of Commerce dot his resume.

An avid golfer, he is a force behind the PGA and LPGA tournaments held in Tucson each year.

Breck is also involved with Vision Quest, a local program for juvenile delinquents directed by his son, Joey. "Instead of sending kids to reform school, where too often they learn to be professional criminals, Vision Quest shows them how to become responsible citizens. They go to school, work, and do everything else we associate with normal, daily living."

Breck's industry relations activities include a term as president of the Tucson New Car/Truck Dealers Association and service on the Chrysler Presidents Advisory Council as well as the Dodge National Dealer Council. The year he was chairman of the national advertising committee, Dodge picked a then-unknown bandleader named Lawrence Welk to be its spokesman, launching one of the most successful TV shows of all time (and a lifelong friendship between the Welks and the Brecks).

According to Keith Andresen, executive vice president of the Arizona Automobile Dealers Association, Breck's biggest contribution to the industry was his work with the AADA's Ethics Judiciary Committee from 1973 to 1976. The committee developed the industry's first third-party mechanism for resolving consumer complaints. Committee members, all dealers, were empowered to mediate sales and service disputes. "To be selected to the committee," Andresen says, "was a strong endorsement of Breck's ethics and stature as a dealer by his colleagues."

Breck's many industry awards back up his commitment to customer service. He has received Dodge Truck's Quality Dealers Award 20 times, and the Five-Star Dodge Truck Service Award five times. In 1969, he won Dodge's Top Dealer Award. Other honors have come from the Boy Scouts and the YMCA.

At 67, Breck says he's likely to retire in several more years. "I'd like to see my son Danny and some of my other managers develop their full potential," Breck says. "They can't do that with the old man hanging around."

Breck is looking forward to the coming months as Truck Dealer of the Year. The highlight, he thinks, will be this fall's visit to Northwood Institute in Midland, MI, where he will lecture to students in the truck operations program. "I'm a truck-loving fool," he says. "They'll have to gag me or I'll talk for days." □

Gary James is the senior editor of Automotive Executive magazine.

What's In A (Car) Name?

***Adventure, romance, intrigue
and beauty.***

Power, excitement and performance.

Safety and reliability.

In a word, allure.

A good car name grabs the eye and shakes the senses. It creates a bond between buyer and designer. "A name has to be evocative; it should rouse the emotions," says Tom Moulson, product research manager for Ford. "Vichyssoise is more expressive than cold potato soup. If a car's name isn't memorable, people can't ask for it, praise it or recommend it."

Since the turn of the century, more than 3,000 makes of cars and trucks have been produced by some 1,500 different manufacturers. Each had its own identity in the marketplace.

American cars have been named for cities and towns ranging from Akron to Kalamazoo to Wichita. They've carried the names of 16 states, both border oceans and all four directions of the compass. Twenty-one presidents and one president's wife, Dolley Madison, have been honored with nameplates. Other historical figures memorialized in chrome include Roosevelt, Napoleon, Richelieu and Knute Rockne, as well as several French explorers who roamed Michigan—DeSoto, LaSalle and Marquette.

Quick-moving animals have always been popular. Names from the past include Barracuda, Coyote, Dolphin, Greyhound, Hare, Hornet, Hawk, Lion, Panther, Roadrunner, Tiger, Wasp and Whippet. Other animals sneak into the

pack, too, despite less-than-dazzling speed: Buffalo, Burro, Dodo, Gnat, Lamb and Stork for starters.

Almost every manufacturer, at least once, chooses a name that unabashedly touts its cars' virtues. Included in this category are the Practical, Peerless, Best, Manly, Modern, Quick, Small, Reliable, Superior and yes, even the Ultimate. Red-blooded descriptives have also had their day. Over the years, owners could fancy themselves as a Maverick, Matador, Cavalier, Trailblazer, Hotshot, Champion, Rambler, Buckaroo, Viking, Swinger or Warrior. Others cut through the wind with the quickness of a Cutlass, Arrow, Magnum, LeSabre, Javelin, Spear or Dart.

Foreign locales are also favorite picks. We've seen Cordoba, Grenada, Seville, Monaco and Monte Carlo, along with a host of names from a place many claim is another country—California. Among its entries are Malibu, Monterey and Ventura.

Space-age names remain popular, but they, too, change with the times. Before today's Laser, we had the Sun, Moon, Meteor, Rocket, Galaxie, Nova, Polaris, Satellite, Comet and Jetfire. Back here on Earth, natural phenomena inspire names of equal drama: Duster,

Toronado, Scirocco, Cyclone and Tempest.

A lot of names have come and gone. Some of the more unusual to fade from the scene include the Average Man's Runabout, Hall Gasoline Trap, Imp, Little Dude, King Midget, Dixie Tourist, Studillac, Havoc, Liliputian, Cyclops and Tom Thumb. And who can forget these great hyphenated names from the past: Tally-Ho, Step-N-Drive, X-Ray Special, Fool-Proof, Pak-Age-Car and O-We-Go?

Perhaps the most inventive marketing of all, however, came from a Chicago manufacturer back in 1909, which sold its product as "A Car Without A Name." Since so many owners like to christen their buggies with pet names, this automaker chose to stay out of the name game altogether.

Ocelet vs. Topaz

Where do names come from? At Ford, lists are compiled from sales and marketing staffs, advertising agencies and outside firms that specialize in nomenclature. After legal research establishes that there is no record of use or conflict with another manufacturer, up to 30 names are submitted for further research.

Consumer surveys are conducted at shopping malls, auto shows and other public places to test public reaction.

by Gary James



Picking Names from a Hat

Can you identify all of the "car names" coming out of this hat? If you think you can, send your best guesses to Editors, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102.

Illustration by Bono Mitchell

©Bono '84

Batteries of questions measure suitability, descriptive power and recall.

Ford polled 600 customers in shopping malls to help choose Tempo and Topaz for its new compacts. The Mercury Topaz almost began life as Ocelot—to fit in with Cougar and Lynx. But testing revealed that some customers thought Ocelot was the brother of Lancelot, another proposed name, and the company dropped both from consideration. Also rejected were the names Coventry, Serval and Majestic.

"The name Topaz connotes quality," says Ford's Moulson. "It draws a picture of a lustrous gem—a little jewel. Tempo—as in upbeat or musical—makes a great companion, since it also starts with 't' and has two syllables."

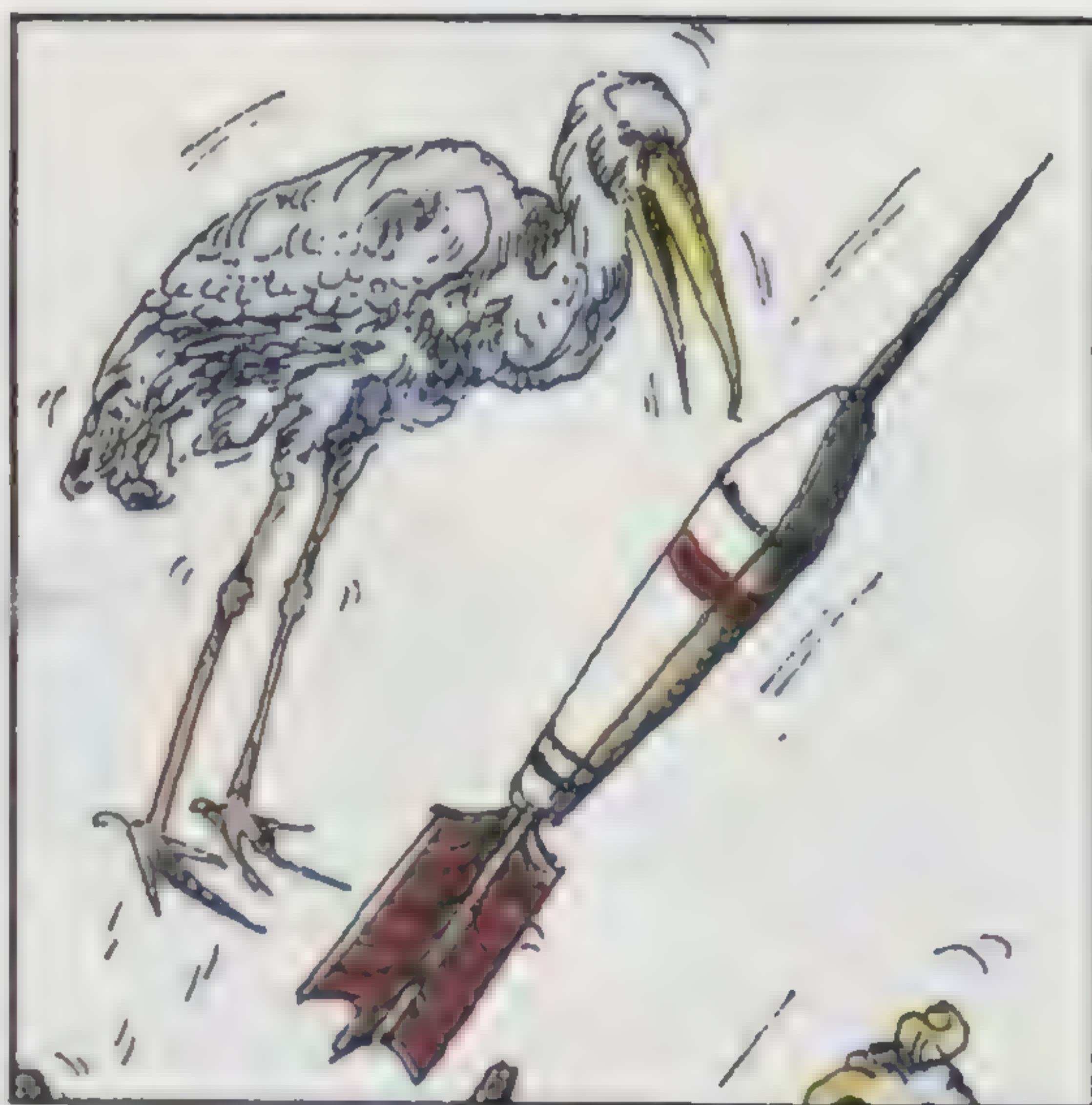
What are the properties of a good name? According to Moulson, they include usage, price, value and other features. A name may not be able to encompass 10 different qualities, he says, but it should touch on the key ones, be easily pronounced and readily remembered.

One of the company's most famous names—Thunderbird—was not even among the 1,000 suggestions submitted by Ford's ad agency when the car was in the planning stages. A designer on the project threw the name into the ring because he liked its graphic possibilities. Among the losers were Falcon, Eagle, Apache, Tropicale, Hawaiian and Thunderbolt.

Another Ford favorite, the Mustang, almost entered the market as the Torino or the Cougar. Most people also don't know that Ford's first Mustang, an experimental sports car that never reached production, was named for a World War II fighter plane, not a horse.

When it comes to cars that have bombed, the name Edsel springs immediately to mind. Named after Henry Ford's son, the Edsel lasted two brief years before production stopped. Edsel became so infamous that it is recognized far outside automotive circles.

"A good name can't sell a poor product," Moulson says, "but if the name catches on, it helps the car get off to a better start."



"Quick-moving animals have always been popular, such as barracuda, coyote, dolphin, greyhound, roadrunner and tiger."

The "Name Board"

Naming a new "baby" starts early, with engineers, designers, marketing execs and ad reps all providing ideas. Most projects are christened while in the design studios, and occasionally the name stays on the product all the way into the marketplace. More often, however, the name evolves along with the design.

The very latest point at which an automaker names a car is 26 months before the first production model rolls off the assembly line. That's when instructions have to be given to parts suppliers for immortalizing the car on a chrome nameplate. Top management gives the final okay.

At Chevrolet, a large "name board" is used to keep current and proposed names straight. Some 600 car and truck names, covering the last 15 years, are listed. The name game gets complicated when you consider that Chevrolet has been naming cars and trucks since 1911, when it introduced the Classic 6.

A complete register of vehicle names, including some still in the engineering stages, is kept by the Motor Vehicle Manufacturers Association in Detroit. The Proprietary Name File contains thousands of make and model names, plus hundreds more on confidential "future" lists, available only to a select few in each company. The MVMA acts as an arbiter of the names, and will protect exclusivity for one year.

Some of Chevrolet's best names came from "dream cars" shown in GM Motoramas during the 1950s. Among these are Corvette (a small, swift warship) and Impala (an African antelope known for its speed). The original Caprice was also a styling car before it entered the lineup. Legend has it that the car was named after an exclusive restaurant in New York City. Nobody seemed to care that Caprice also means "a sudden turn or change."

Chevy's original name for Camaro was Panther, but the company opted not to emphasize speed. Camaro means "pal" or "comrade" in French. Eighteen years later, it still sounds good.

Chevrolet has had a habit over the years (though originally not deliberate) of naming its models starting with "c." Recent examples include Cavalier (gallant), Citation (award-winning), Celebrity and Chevette (diminutive). During the '60s, resort and beach areas also provided inspiration: Monte Carlo, Bel Air, Malibu and Biscayne, for example.

Place names have proven popular over at Cadillac, too. The current model mix reads like a travel log: Fleetwood (a Pennsylvania town where the Fleetwood coachworks set up shop in 1909), Eldorado (an imaginary South American kingdom of fabulous wealth), Seville (a city in Spain) and Cimarron (a river in New Mexico).

Before Cadillac chose Cimarron for its newest model, hundreds of names were screened. The list was whittled down to seven—Caville, J9000, Envoy, Carmel, Cascade, Series 62 and Cimarron—which were then tested in phone surveys. Cimarron drew the most favorable response, with its strong image of the American West.

The New Pontiac

As Pontiac changed its slant to high-tech performance, names also changed. Arriving on the scene were European-sounding designations like 1000, 2000 and 6000. The image, says Pontiac spokesman Dick Thompson, is "youthful, exciting and contemporary."

Alphanumerical designations have been used by European automakers for

years. Some of the nomenclature means nothing, while others have precise purposes. Peugeot, for example, uses a three-digit numbering system. The first digit of the code indicates chassis size, the second is always a zero, and the third denotes the generation of the car. Because Americans have been exposed to decades worth of Peugeots, Mercedes, BMWs, Volvos and Saabs bearing only letters and numbers, this type of designation automatically carries with it a ring of sophistication.

Even so, Pontiac still has some familiar nameplates in its stable, including Bonneville (named after the famous Utah salt flats), Grand Prix (big prize in French), Firebird (a legendary Indian symbol associated with power and beauty) and Phoenix (a mythological bird known for rising from its ashes to live again).

Some of the names discussed at Pontiac that never appeared on the street include Bandit, Firefly, Firefox, Sundance, Banshee and Cirrus. Banshee, almost the tag for the original Firebird, was nixed when it was discovered to be a creature from Gaelic folklore whose wailing foretells death. Along the same lines, Cirrus bit the dust when someone pointed out that the word sounds like *tsouris*, Yiddish for trouble.

A recent addition to the Pontiac stable, the Fiero ("proud one" in Italian) must not have received the same scrutiny. In Spanish, the word means ugly or deformed. The name was chosen by the project's chief designer, who was rummaging through an Italian dictionary when he came across the word "fiero." Pontiac will introduce its new N car in September; the name remains under wraps.

NameLab

Most automobile naming still takes place in informal brainstorming sessions. Some companies, however, are experimenting with more sophisticated techniques. When Nissan needed a name for a new subcompact in 1980, it turned to NameLab, a San Francisco name development and testing "laboratory."



"Vichyssoise is more expressive than cold potato soup. If a car's name isn't memorable, people can't ask for it, praise it or recommend it."

To create names, NameLab has dissected the English language into 6,200 semantic fragments, or "morphemes." Using computers, the company's linguists compile lists of fragments for each message that is to be expressed or implied in the name. They study their meaning and phonetic features, then rearrange them to enhance impact, aesthetic appeal, memorability, vocabulary fit and flicker perception (how a word is viewed on a TV screen). The four-year-old company has served such industry heavyweights as Procter & Gamble, PepsiCo, Time Inc. and Gillette.

For Nissan, NameLab came up with Sentra, an invented word that sounds similar to "central" and "sentry." "We wanted a name that positioned the car as Nissan's mainstream model in terms of size and function, and also projected an image of security and safety," NameLab President Ira Bachrach says. "The car was lighter and smaller than earlier Datsuns, so that was a concern. The name works because we all read meaning into new words, by association with words we know and use."

In Japan, Nissan's model names are "airy and cheerful," Bachrach says. Names include Violet, Fairlady, Cherry, Bluebird and Sunny. In the U.S., however, the company markets cars with more aggressive sounds—Maxima ("maximum"), Pulsar ("star") and Stanza ("roomy" in Italian) for its se-

dans, and alphanumeric designations for its sporty cars (300 ZX, 200 SX). "The names reflect cultural differences in attitudes toward cars," Bachrach says. "Fairlady wouldn't fly here."

Some of the industry's best car names, Bachrach says, are Cimarron, Mustang and Civic. "Cimarron is brilliant—tough, romantic and elegant. Mustang is masculine and outdoorsy. And Civic immediately tells the consumer the car is civic-minded—ecologically sensible and economical—designed for urban driving."

Searching for the Sure Fire

With almost one million brand names in use in the U.S., it grows harder all the time to come up with a good auto nameplate. International marketing considerations and trademark law complicate the process.

At General Motors, proposed names are researched for legal conflicts by George Mosher, the company's trademark attorney. In addition to checking the MVMA's Proprietary Name File, Mosher scours the U.S. Trademark Register and foreign directories such as *Les Marques Internationales* and *Benelux Markenblad*.

"It's important to clear a name two years in advance," Mosher says. "If there is a conflict, we either drop the name or contact the holder for permission. Lipstick and cars are unrelated enough that there probably wouldn't be a problem using the same name for both, if it fits."

Though most product names are registered with the U.S. Trademarks office, ownership comes with the product's use in interstate commerce. Registration lasts as long as the product is on the market. After two years of disuse, the name goes back to the public domain.

Mosher says a conflict arose several years ago when GM was researching the name Condor. "We got within four months of production and discovered another company using the name for car kits. We tried to make a deal, but they wanted too much money. So we changed the name to Citation."

Such conflicts have happened before. When race car builder Jim Hall asked \$1.50 per car for the use of his Chaparral name, Chevy called its mid-'70s economy car Monza instead. Ford wanted the name Colt for a new European car in the 1960s, but Mitsubishi already had rights to it. So Capri was selected.

Sometimes, however, a name is just too good to pass up. Pontiac, for example, pays the Sports Car Club of America \$5 for each Trans Am, since the car is named after the group's racing series.

Divisions within a company sometimes run into similar snags. Both Chevrolet and Oldsmobile considered Celebrity for their A cars, but Olds—which had used the name in the '60s—agreed to let Chevy have it in favor of Ciera.

Occasionally, an automaker chooses a name it wishes it hadn't. Studebaker, for instance, withdrew the Dictator from the market in 1936 when Hitler stirred in



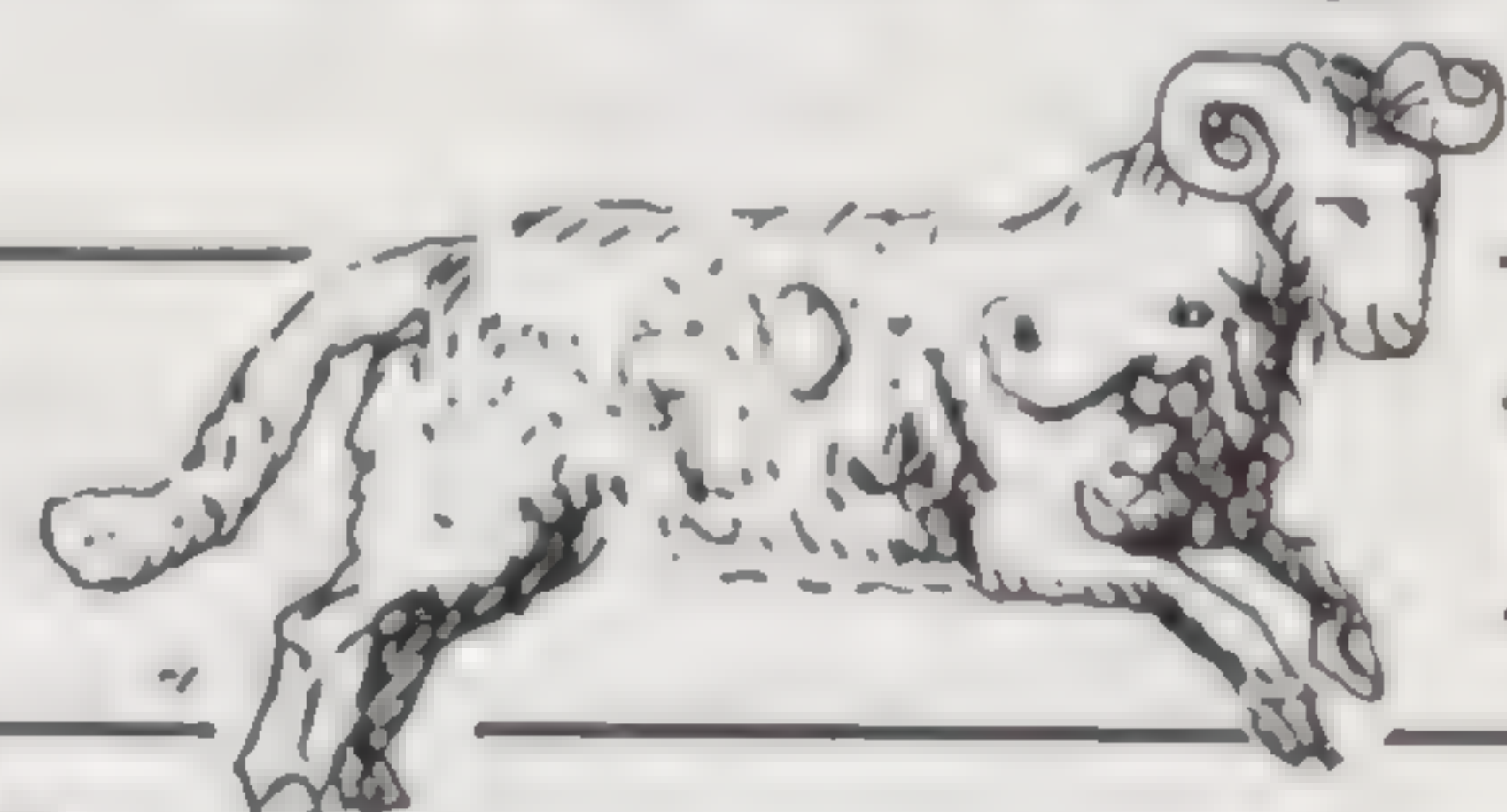
A lot of names have come and gone, including Average Man's Runabout, Imp, Little Dude, King Midget, Studillac, Havoc, Cyclops and Tom Thumb.

Europe. An early version of Plymouth's Duster, tagged Demon, caused problems among religious fundamentalists, who figured that Demon must be related to the Devil.

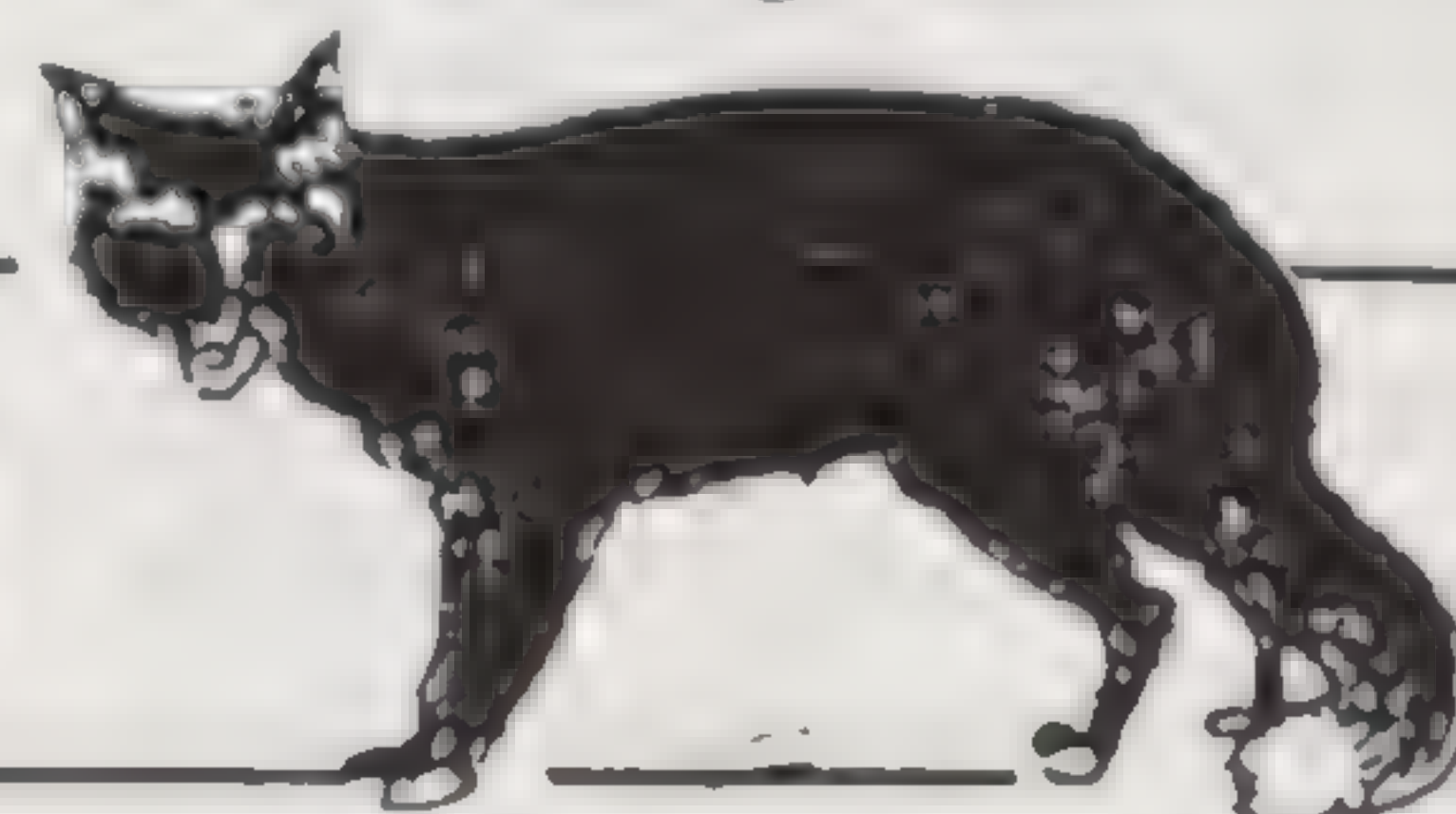
Foreign interpretations can also derail a good name. When Chevrolet marketed the Nova in Puerto Rico, it discovered the Spanish translation, "no go," hurt sales. Chevrolet also faced resistance with its Apache pickup truck among Indian buyers, because the tribe still had many enemies.

So the head scratching and soul searching goes on. With each new name, automakers inject as much glitter, punch, charm and salability as possible. They try to cleverly capture the buyer's attention, without projecting a negative or silly image they'll later have to combat. What keeps the process so riveting is the certainty that a new generation of creative names, like Average Man's Runabout or Seven Little Bufalos, is yet to come. □

Gary James is the senior editor of Automotive Executive magazine.



You Name It!



Though most dealers name their dealerships after themselves or their hometowns, some lean toward the unorthodox. Snooky Volkswagen, Hippodrome Olds-Datsun, Tall-man Subaru and Bowling Bob Chevrolet come to mind. So do Good Time Chrysler, Gold Nugget Motors and Shamrock Olds. Something about names like Storm King Motors and Knickerbocker Oldsmobile catches the eye.

Animal names are also a favorite among dealers. They range from gentle creatures like Lamb Chevrolet, Antelope Valley Datsun and Pelican Ford to the ferocious—Tiger Motor Co., Running Bear Ford and Grizzly Auto Center. If a shopper doesn't snare a deal at Spider Webb Motor Co., he can always go fishing at Trout Brook Buick-Pontiac.

Other dealerships conjure up visions of outer space. Meteor Motors

and Moon Datsun. Neptune Motors and Rocket Oldsmobile. There's a Rising Sun Datsun in Maryland, and a Sunset Motor Co. in Alaska.

Dealers, being proud Americans, are also fond of tagging their stores with the moniker of their region. Thus we find Dixie Motor Co., Lone Star Chrysler, Panhandle Chevrolet and Bama Toyota. Not to be left out are Wheatland Chevrolet, Alamo AMC-Jeep and Tradewinds Ford.

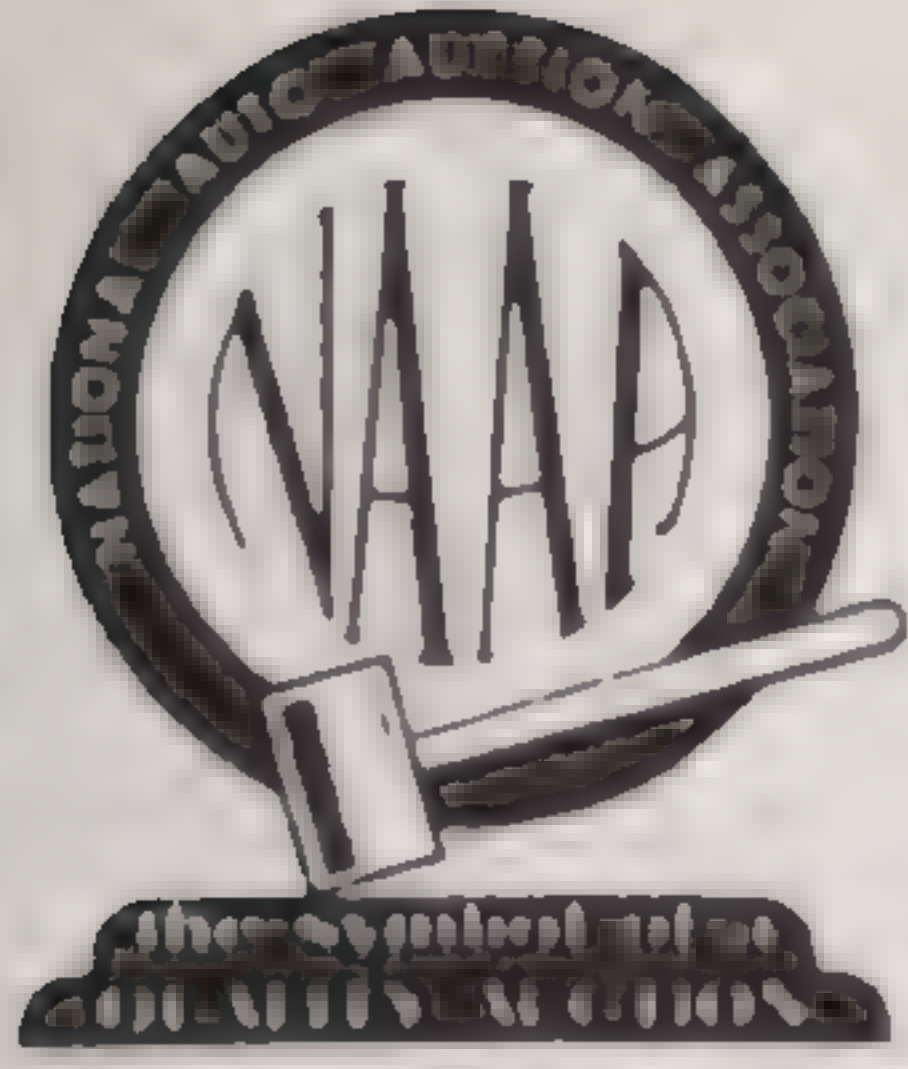
It's surprising how many geographical descriptions there are for dealerships. Desert Toyota and Surfside Datsun. Grand Teton Motors and Stony Island Auto Sales. Battle Creek Ford Sales and Sour Lake Motor Co. For other dealers, a hint about location is enough: for example, Town's Edge Auto and Cycle and Hilltop Chevrolet.

Dealers in the west seem to be the most fond of unusual names.

Perhaps it's their pioneer spirit that leads to signs such as Sundance Motors, Bonanza Chevrolet and Frontier Motors. Or Round-up Datsun and Lawless Buick-Chevrolet. Representing the other side are Mohawk Chrysler-Plymouth, Blackhawk Datsun and Hiawatha Motor Co.

Even those who stick with a surname for their dealerships demonstrate a certain creativity. Smyly Chevrolet, Doolittle Pontiac-Buick, Looney Chevrolet-Cadillac and Clinksale Chevrolet all have a ring to them. First names alone also do the trick: Max of Switzerland, Bruno's Garage, Frosty's Dodge and Brother Bill's Ford, to name a few. But who is the dealer principal at Peter Pan Motors?

Who knows? It's simply refreshing to find a Rainbow Ford mixed in with all the ABC Motors out there. □



We Care About Your Confidence!



Members of the National Auto Auction Association have always been strong supporters of the Federal Odometer Law and we encourage our customers to abide by this law. Evidence of our position is shown in the following resolution adopted by our Board of Directors, February 18, 1983:

RESOLVED, that whereas the National Auto Auction Association recognizes that the buyers of used vehicles, both private individual and automobile dealers, rely heavily on the odometer readings in determining the value of used vehicles, and

WHEREAS, the National Auto Auction Association acknowledges that odometer tampering throughout the nation, in both the private and public sectors creates severe problems for all segments of the automobile industry, and most especially for auto auctions, whose primary role is not of owner, but normally as a conduit for the sale, and

WHEREAS, the National Auto Auction Association was instrumental and is strongly supportive of the enactment of the legislation to prevent odometer tampering, and

WHEREAS, the National Auto Auction Association Code of Ethics states, "We will comply with the National, State and local laws and rules that regulate the conduct of the automobile auction business", and

WHEREAS, it is the belief of the National Auto Auction Association that the welfare of consumers, and dealers alike would be better served if the practice of odometer tampering by both the public and private sectors was totally eliminated, and be it

RESOLVED, that the National Auto Auction Association continues to show strong support for enforcement of the federal odometer law, and be it

FURTHER RESOLVED, that the National Auto Auction Association calls upon its members to support the law, and to work with local, state and federal authorities in their investigation, and be it

FURTHER RESOLVED, that the National Auto Auction Association believes that the final solution to the odometer problem lies not in the investigation or enforcement in only one aspect of the automotive industry, but in complete nation-wide enforcement which does not put any segment of an industry, at a competitive disadvantage, and be it

FURTHER RESOLVED, that the National Auto Auction Association calls upon all states to promptly adopt the universal title concept and to provide for the insertion of mileage on the title, and to take immediate steps to implement such a program, and be it

FURTHER RESOLVED, that the National Auto Auction Association strongly urges the manufacturers of automobiles, both domestic and import, to develop a tamper-proof odometer, and be it

FURTHER RESOLVED, that the National Auto Auction Association calls upon the congress of the United States to appropriate adequate funding, so that enforcement of the federal odometer law can be carried out on a uniform, and comprehensive basis through the nation, and be it

FURTHER RESOLVED, that all authorities involved with the investigation, enforcement, and adjudication of the perpetrators of this serious crime be directed to emphasize prompt investigations, strong enforcement, and to hand down severe penalties, including, but not limited to the suspension for one year of the business license of any automobile dealer who is convicted of violation of the odometer law, and be it

FURTHER RESOLVED, that private individuals who are found guilty of this serious crime also be handed down severe penalties including both fines and/or imprisonment for violation of the odometer regulation so as to protect the general public and consumer from such fraudulent acts.

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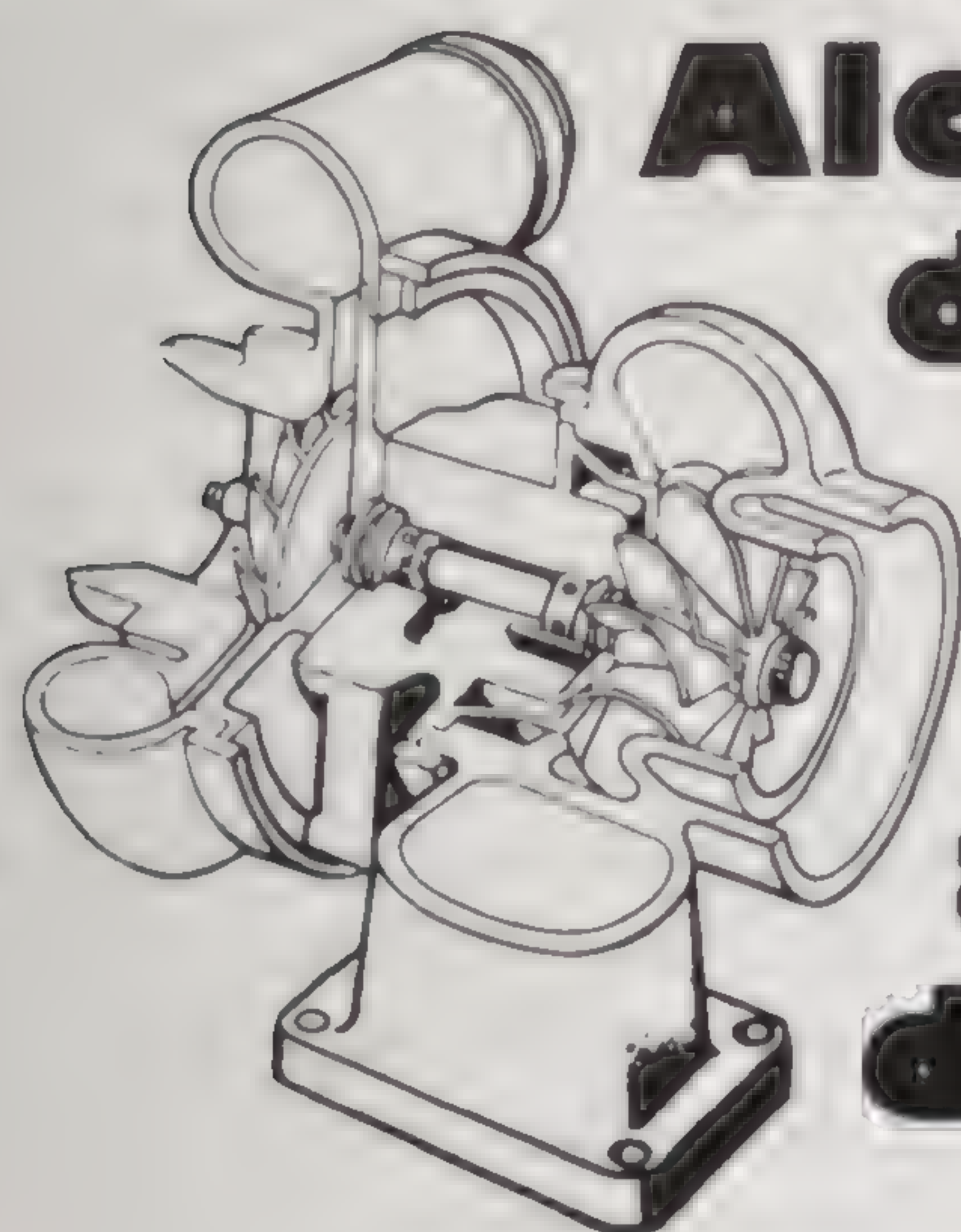
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SOMETHING for NOTHING



Alchemists have long dreamed of something for nothing, and today they can have it! Turbos, now a viable option, are that dream come true.

by John Bentley

Turbocharging is not a new idea among European and even Japanese auto manufacturers. It has been used for years to enhance the power of diesel engines in public transportation and heavy industry. Now, however, the domestic auto industry has decided to get into turbos, and Detroit's Big Three are seriously committed—well, almost. The current score favors turbochargers two to one, with Ford and Chrysler strongly pro and General Motors somewhat undecided as it watches this high-tech resurrection.

Before laying out what U.S. automakers have to say about turbos, three questions need answers. They're probably flashing like neon signs before the eyes of countless dealers:

- Is turbocharging as reliable as manufacturers claim it to be?
- Are service departments liable to get caught between a rock and a hard place in meeting warranty claims?
- Can turbos help profits and sales in the new-car department?

The answers to these three questions

are: yes, no and yes. And that's both a fact and an apparent industry-wide promise.

Reliability

The modern turbo is reliable—so dependable, in fact, that when factory-installed it carries the same warranty as most engines—two years or 24,000 miles, whichever comes first. Chrysler extends its turbo warranty even further, for five years or 50,000 miles. Not exactly small potatoes for a gadget that spends most of its life subjected to hellish temperatures and spinning at unheard-of rpms!

In further support of reliability, a large and growing U.S. turbo industry, both aftermarket and for factory production, bears such reputable names as Pfaff, AiResearch, Callaway and Warner Ishi.

Warranty Claims

Customers who buy a unit specially designed for their cars don't have to worry about losing the warranty. The turbo is fully covered as part of the engine and

drivetrain package. If they buy a turbo for aftermarket installation, that's OK too. Most suppliers cover their products with a separate warranty of equal length, provided the unit is correctly installed.

Either way, dealers can't get hurt. In the first case they're under the automaker's umbrella; in the second, they're not involved.

While turbo manufacturers do sell repair kits, people are not lining up to buy them. If a unit goes sour, it's usually a basket case, and if it's not the owner's fault, the simplest and least expensive way to handle the problem is to yank the whole thing out and install a new one. That, anyway, is the philosophy of Mitsubishi, whose experience with heavy industry turbos dates back to 1937.

Says John Cooke Jr., service director for Ourisman Mitsubishi, Marlow Heights, MD, "Out of the last 400 turbocharged cars we've sold at this one dealership, we've had precisely one failure. And that was due to a defective bearing assembly at the factory.

"The point to remember is that every turbo has a built-in self-destruct capability, mainly related to oil, or lack of it. In a turbocharged engine, the oil and filter should be changed every 3,500 miles. And only SF-rated oil should be used. Despite cooling safeguards, the turbo is always looking for a chance to fry (or coke) the lubricating oil in its bearings.

"Second point, when you come in after a hard run, never switch off suddenly. The engine stops but the turbo rotors spin on with no oil to lubricate the bearings. Always let the engine idle before you switch off."

According to Cooke, turbos don't need maintenance or special tools. Defective lubrication accounts for all but 1 percent of failures. Sure, a digital multi-meter is useful in checking out electronic fuel injection. An overly lean mixture will wreck a turbo, again due to overheating.

Profit Potential

Is the factory-turbocharged car a profitable item for the dealer? Sure is, though the sales force should use common sense in identifying buyers who will benefit from the thrills of turbocharging. Since America has fallen in love with the automobile all over again, these buyers include a broad segment of upwardly mobile people of both sexes, who enjoy driving for its own sake. They like the feeling of power on demand, especially when passing, and want to get where they're going without wasting any time.

Most turbo enthusiasts don't have to be sold. They know what they want and are only seeking reassurance from the salesperson.

What's in it for the dealer? A turbo installation that costs \$250 at the factory will usually bring \$1,250 retail. That's not counting the profit on additional accessories that can be lumped into the turbo package: fancy aluminum wheels, a beefed-up suspension or rear spoiler.

Who's Doing What?

At General Motors, Buick and Pontiac

are strong proponents of turbos. The Chevy people are sitting on the fence (once bitten, twice shy); so is Oldsmobile. Cadillac is flatly opposed. (See "Counterpoint.")

Ron Yuille, staff engineer, Buick Turbo Group, is sold on the idea. "The Regal T-Type Coupes have really caught on since we went to turbo," he says. "We sold 1,000 units in 1982 and our entire 1983 production of 3,000 cars. This year we were off to a late start, but we still expect to sell between 5,000 and 7,000 cars. It's a steadily rising curve."

AiResearch supplies the turbos, both for Regal and the Skyhawk Buick, a lighter front-wheel-drive model, and also for Pontiac's 2000 Sunbird.

"At Buick, we haven't had a single case of turbo coking," Yuille points out. "Not in all these thousands of cars. For 1982, we worked with AiResearch to redesign the center house rotating assembly, and added fins to help cooling."

Is fuel injection important with a turbo? "Absolutely. You shouldn't go without it. Correct metering safeguards the turbo against troubles."

Buick service kits are available at dealers—components like turbine and compressor wheels—but mostly they stay on the shelf.

"Target buyers do understand turbos," Yuille concludes, "but it's important to keep the customer informed. For instance, we have special T-Type suspension modifications available for the enthusiast."

Bitten by the Spider

Chevrolet reticence dates back to the '60s, when the Corvair Spider was offered with a turbocharger. The turbo seemed to aggravate problems encountered with the air-cooled engine.

Chevy engineers have been quoted as saying, "We've learned enough about turbos with the Corvair to stay away from them." Edward S. Lechtzin, assistant director of sales and production, still agrees. "Even today," he says, "the supply industry has a lot to learn from those high-inertia turbos."

Don Miles, powertrain engineer at Oldsmobile, didn't show much en-

thusiasm, either. This division also got bitten when it marketed a turbo model in the '60s.

"Performance relative to initial cost is our concern," Miles points out. "The object is to get more air into the combustion chamber. Whether you do it with a turbo or by intake tuning doesn't matter. At the moment, we're going with tuned induction."

The dollars and cents rationale goes something like this: A larger engine, say a V8, costs the customer two thirds as much as a smaller, turbocharged unit. That's around a \$416 savings, which even today still buys a lot of gas.

What about Pontiac's newly spawned and highly successful mid-engine Fiero? This appears to be the domain of Pfaff, a company that has been building turbochargers for five years and is now working with Detroit and European production lines. Pfaff also sells direct to dealers and customers. When a customer wants a Fiero with a turbo, a dealer can request the factory to pull out a car of a given color and ship it to a contracting firm for installation and testing.

Says Pfaff's sales manager, Tom Yarr, "You spend \$2,995, but immediately add \$4,000 to the market value of your Fiero. And that's saying nothing about performance. We've just completed extensive research and development on this car and our turbo is certified by the California Resource Board as meeting all emission requirements. This means EPA acceptance and makes the equipment 50-state legal. Installation time on the Fiero is eight hours."

The Pfaff warranty, by the way, is probably the most ironclad in the business. Not only does it replace Pontiac's standard two-year/24,000-mile warranty, but the customer is protected by a \$1 million policy with a major insurance company.

Pfaff is currently zooming in on the Camaro Z28, the TransAm, five BMW models and even the highly sophisticated Ferrari Quattro Valvole, with four valves per cylinder.

Ford Fanfare

Another turbo enthusiast is George

Lowe, Ford's Mustang and T-Bird marketing production plans manager. "Not only have we come a long way in turbo technology, but the time isn't far off when small displacement turbocharged engines will be the only high-performance power units. Looking ahead, it's more than likely we'll pull those big V8s out of the performance market. The trend is pretty clear when we're offering a 140-cubic-inch turbocharged four as an option to the 302-cubic-inch V8. Equipped with a turbo, the SVO Mustang jumps from 88 to 175 bhp without sacrificing reliability or economy."

AiResearch and Ford have been working on this project jointly since 1978, "and today it's about as good as we can get it," adds Lowe. So far, we haven't had any warranty problems. We treat the turbo warranty the same as for an automatic transmission—24 months or 24,000 miles."

As to the importance of fuel injection in a turbo unit, Lowe is emphatic. "It's critical. We have full state-of-the-art electronic controls limiting boost."

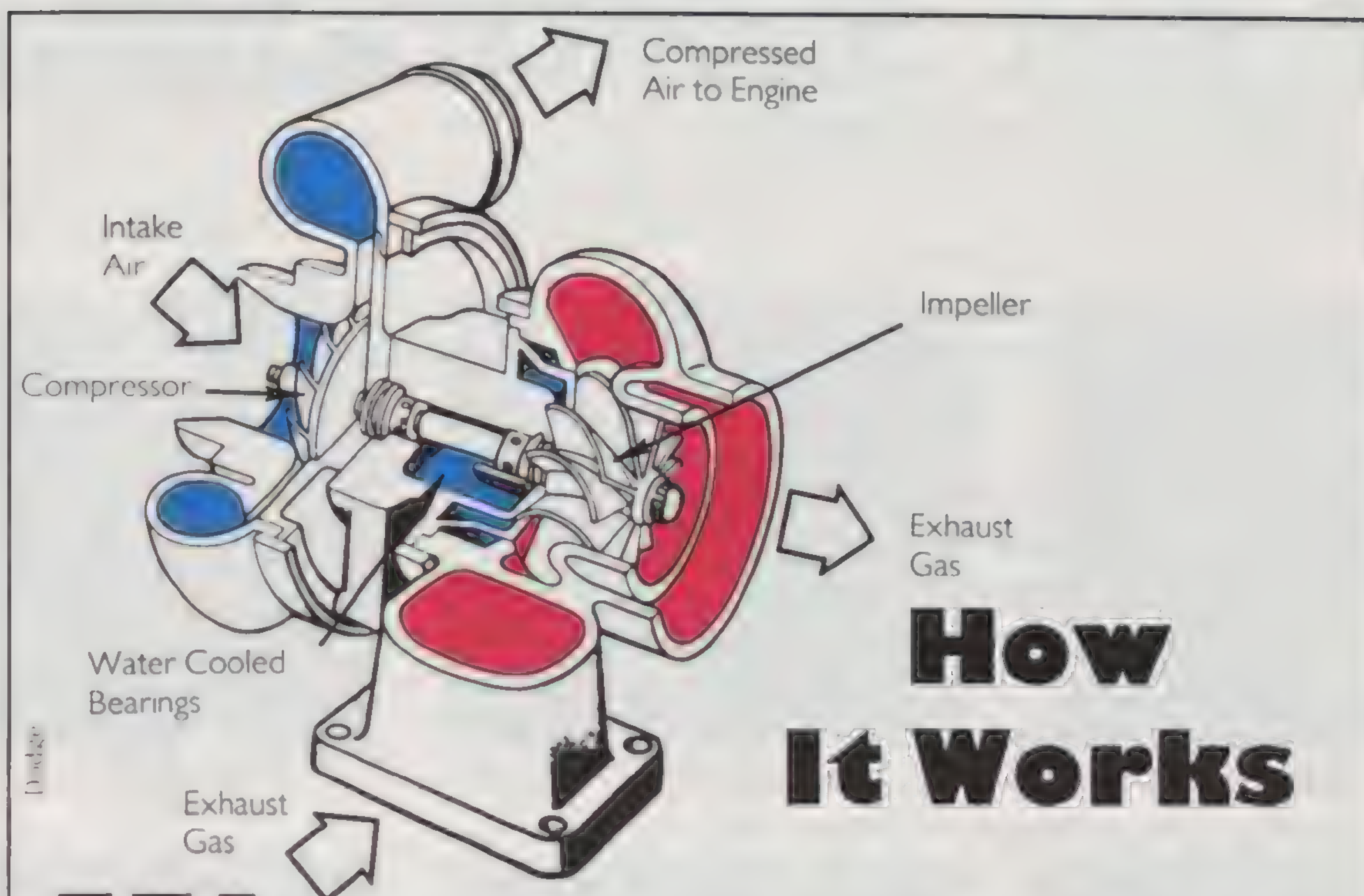
Getting the customer into the turbo market opens up a whole new ballgame, says Lowe. "Suddenly, the guy is asking himself, 'Shall I buy that used Porsche or a new T-Bird Turbo Coupe?' He never had that choice before. Now he can get performance and handling at about the same price as one of those super exotic used imports."

Today, Ford has turbos for all its cars, from the Escort to the plush diesel-powered Mark VII Continental.

Last but not least is Chrysler, a newcomer to the ranks of factory-installed turbos. Here again, AiResearch has its finger in the design pie, although Chrysler contributed a water-cooled center bearing for the impeller spindle—a smart idea.

Chrysler is only in its second year of turbocharged production units, but enthusiasm runs high.

According to Tom Houston, manager of Dodge public relations, everything is coming up roses. "Our turbo sales already have risen to 20 percent of total production, and that's just the start. You can get a turbocharged Daytona, Laser,



What exactly is a turbocharger and how does it work?

Two miniature turbine wheels, an impeller and a compressor each with blades, rotate on the same spindle but in separate casings.

The name of the game is to force-feed air (and oxygen) into the engine, and so improve combustion.

In a conventional engine, exhaust gases are discharged into the atmosphere at 14.7 pounds per square inch, carrying away 65 percent of the heat energy. A turbo puts these gases to work. They're routed through the impeller, causing it to spin like crazy. It soon reaches speeds of 100,000 rpm or more. The compressor wheel, turning at the same speed, sucks in air and rams it into the engine's combustion chambers at two to seven p.s.i. The engine receives a continuous blast of compressed air, rich in oxygen. This improves combustion and vastly increases horsepower, torque (low speed thrust) and general performance.

To keep the ingoing air cool, it is routed through a radiator called an intercooler. Compressed air gets hot and thins out, reducing its oxygen content and defeating the whole purpose of turbocharging. Detonation

can result, with damage to the pistons and the turbo's rotor blades. Remember, the impeller is subjected to the tremendous heat of the exhaust gases—over 1,740 degrees Fahrenheit.

In all respects, the turbo's worst enemy is excessive heat. It will even "fry" the lubricating oil!

The results, however, are startling: at least 40 percent more power—on demand—at almost no extra cost.

Some examples:

Chrysler's 2.2-liter, four-cylinder, 99 bhp engine. Slap on a turbocharger and it becomes a 142 bhp screamer (the sporty Laser), with a minimal fuel increase because turbos don't operate at low engine speeds.

Ford's 140-cubic-inch, four-cylinder engine with a normal output of 88 bhp. Turbocharged, the same engine is transformed into a 175 bhp tiger, ready to take on all comers, and beat any ordinary V8 of double its capacity. This is the SVO Mustang's optional power unit.

Buick's 231 cubic-inch V6, a docile 110 bhp engine installed in the Regal. Given the turbo treatment, its power soars to 200 bhp and transforms a sedate family sedan into an aggressive machine with sports car performance. □

Dodge 600ES, Chrysler New Yorker and on through the E-Class, our high-line four-door sedan. Even the Colt is attracting aftermarket business on a growing scale."

Chrysler is now considering turbos as options for the Caravan and Voyager models, but it's still the reliable 2.2-liter, four-cylinder engine that carries the turbo banner.

"This baby is used across the board, pretty much," Houston says. "It's one heck of a good engine. And thus far there have been no mechanical difficulties with the turbo. The whole unit can be replaced in two hours, if necessary, and at a retail price of only \$525, but our warranty would handle anything like that, short of abuse. So dealers don't have to carry a lot of spares on the parts shelf."

Houston admits, however, there might be a "smidgeon" of a problem with turbos in general, just because they generate so much power.

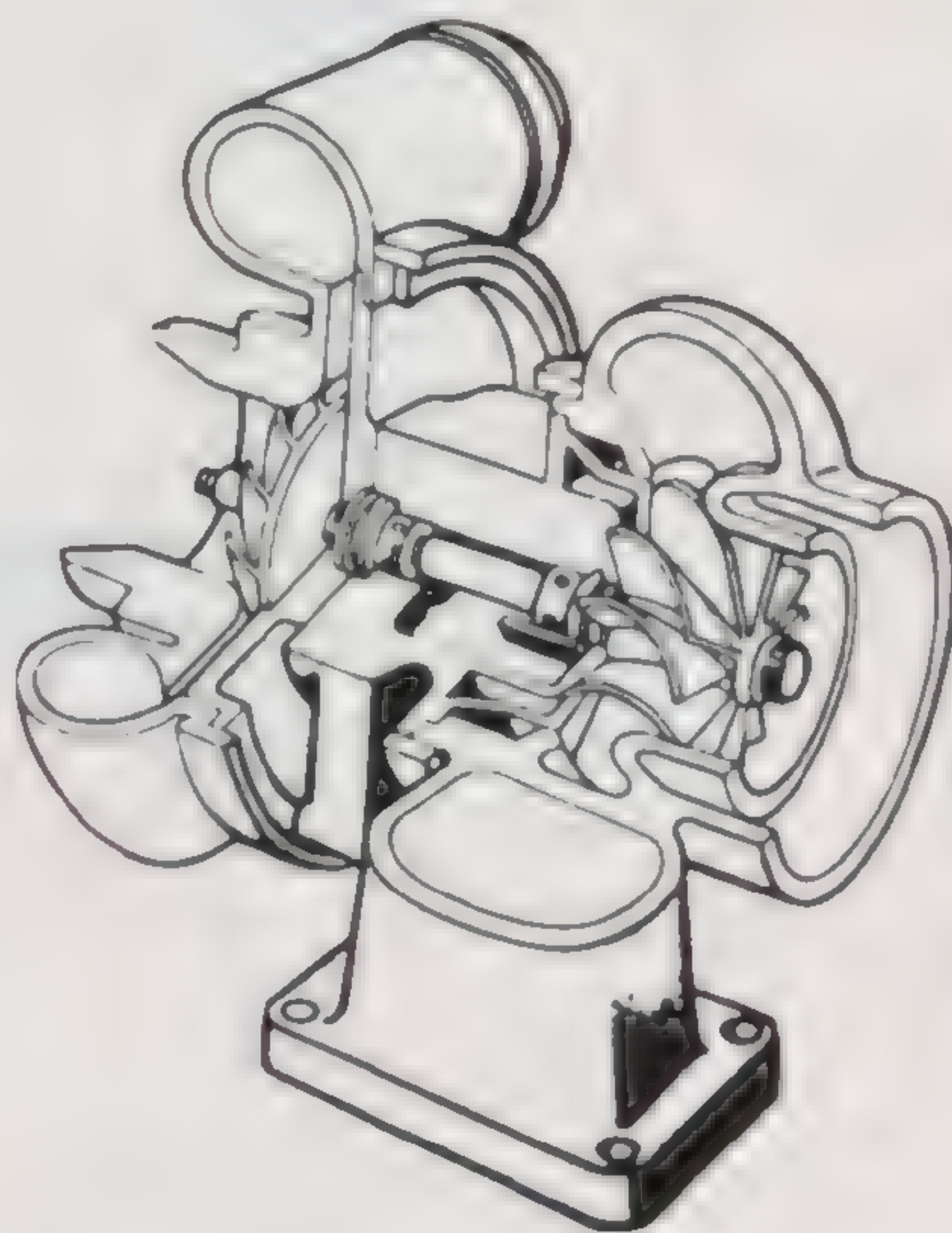
"You want it straight? Salesmen still need to learn how to sell turbos. They're not sure how to handle their prospects. When a guy comes in off the street, can you explain that the extra torque produced by the turbo unit might—just might—create problems with the trans-axle? It's important for a buyer to understand that turbocharging can boost power from 96 to 170 bhp in a quick surge."

Chrysler has the answers on paper, but feedback from the user end takes a little time, and that's what you need to pinpoint any problem. Anyway, with that five-year/50,000-mile warranty, who needs to worry?

Whether it's in Detroit or among the German, French, Swedish, British or Japanese imports, the word is out that the turbo has come to stay. □

John Bentley is a frequent contributor to Automotive Executive magazine. His most recent article was "New Kid on the Block" in the May issue.

Counterpoint



Cadillac: The Un-Turbo

Bob Templin, Cadillac's chief engineer, is a man of definitive views backed by a vast experience. He has been into engine design for 38 years and tested the relative merits of all kinds of power units. Beyond that, he's extremely articulate.

Asked if a statement attributed to him was true—"We'd be happy at Cadillac if all other makes adopted turbos. Then we'd see who'd come out on top!"—Templin unhesitatingly replied, "Yes, indeed. We've built and tested turbos since the 1940s, so it's not a matter of sour grapes. At Cadillac, we sell peace of mind, not pizzazz. Turbos have built-in failure modes that discount the future. We've looked into all the options, but turbos are simply not in the running. Good sticker numbers don't necessarily reflect reality. If turbos are that good, why doesn't Mercedes-Benz feature them on their gasoline passenger cars?"

On turbo-diesels, "They're among the better things that have happened to automotive engineering," says Templin, "but we're talking about the gasoline engine. Ask yourself this question: which is the cheapest, most reliable way to go: a 2-liter turbo or a 4-liter non-turbo over, say,

100,000 miles? Which is the more highly stressed? Which will need more parts? At high altitudes, the turbo is probably the better compromise; but most people don't live on mountaintops. Generally speaking, reliability is on the side of the bigger engine."

Relentlessly, Templin piles argument on argument against turbocharging. "Everyone latches on to the idea of some form of perpetual motion, of something for nothing. But that's mainly an illusion. Turbos are used on engines that are a little too small for the job. This makes them competitive. But then problems arise with emission constraints.

"Fact is, nobody has yet demonstrated a piece of our market that I could go after with a turbo. The incentive is not there."

The clincher might well be: "Can you imagine a Cadillac owner driving down the street with a Turbo legend stuck on the side of the hood?"

Still, Bob Templin freely admits that he speaks from the viewpoint of a typical Cadillac owner, not a mass market buyer.

So there's room for everyone, after all. □

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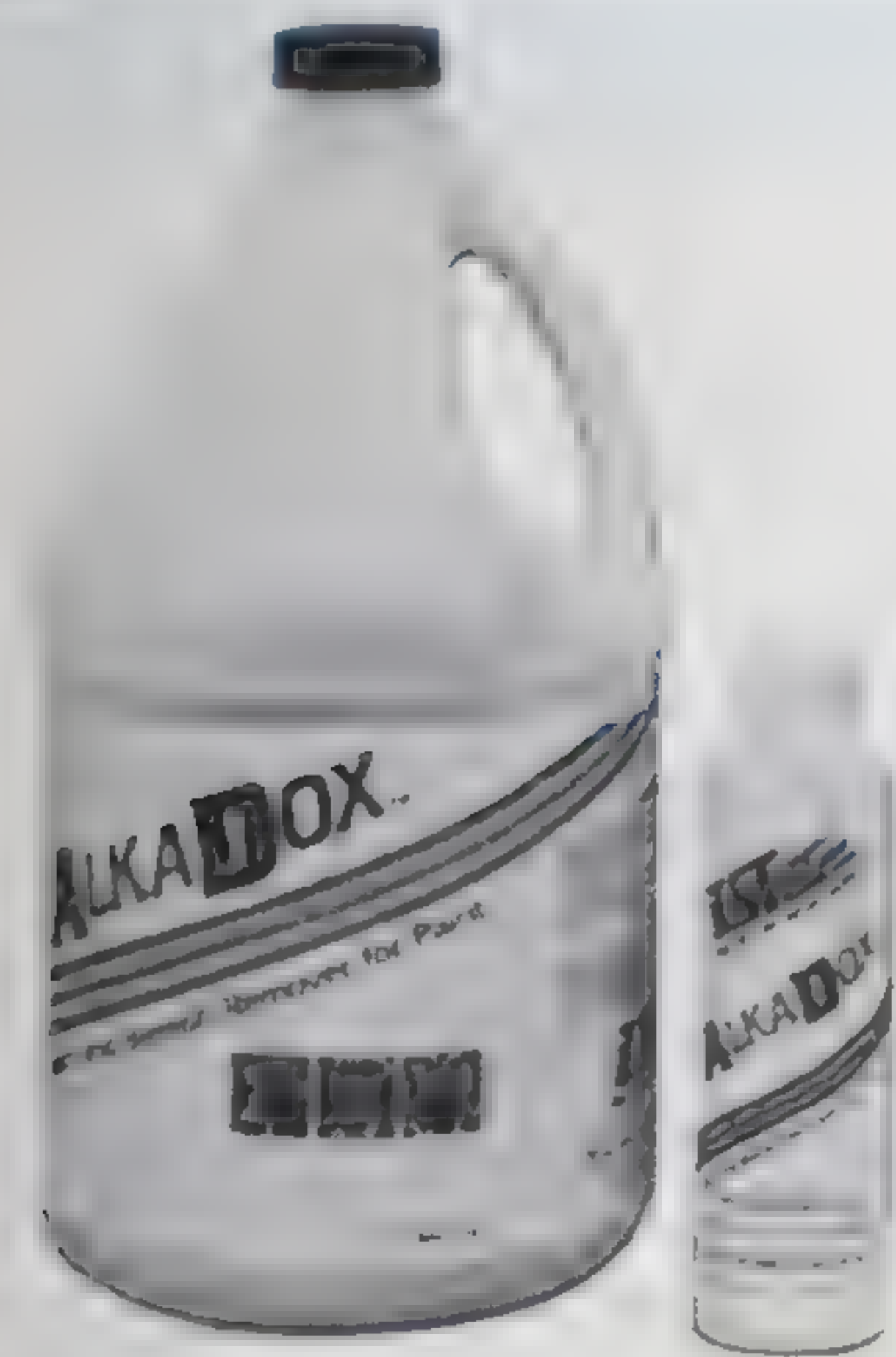


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Want to hear a good story? A real American free enterprise success story, with quirks of fate, a rags-to-riches theme, and an honest, hard-working good guy hero?

by Ted Orme

It's about Dominic Longo, an Italian from Canada who sells Japanese cars and trucks in a predominantly Mexican-American suburb of Los Angeles. Last year, Longo Toyota—bought for \$7,200 in 1967 and appraised for \$12 million in 1984—sold 13,223 new Toyotas, grossed a mere \$131.8 million in total sales. That makes the dealership, for the 17th consecutive year, Toyota's top-selling dealer (the runner-up only sold 7,046 new units) in the country, and quite possibly the highest volume single-point dealership bar none.

As self-made men of high achievement are wont to do, Longo is self-effacing in appraising his deeds. "Believe me," he says from his glass-walled office overlooking his five-acre complex in El Monte, "I don't feel I know more than any other dealer in America. I don't have a magic wand. I just believe in hard work and motivating my people." There is no short answer to the reason for his success, Longo says. "We do so many things, 196 different things, and those are the 196 people who work here."

The Longo Toyota "team" is, of course, a major reason for the firm's mega-success. Another is a \$1.2-million annual ad budget, a service department

that stays open from 7 a.m. to 10 p.m. and averages 120 ROs a day, a never "over-factory-invoice" pricing policy, and a total dedication to customer satisfaction.

These business tenets Longo picked up from his mentor, Ben Alexander, co-star with Jack Webb of the old "Dragnet" TV series. What? You see, after Alexander was an actor, he was a car dealer. A very good one, who eventually owned six Ford franchises in California. It was Ben Alexander Ford in Los Angeles where Longo started in the car business after emigrating from Canada in 1957.

Working his way up from used-car salesman to general manager over the next nine years, Longo tried to buy the store when Alexander died in 1966. The banks laughed at him. One, he enjoys telling, wouldn't lend him the needed \$25,000 for a dealer-development loan to buy the Ford store, but now extends him a \$28-million credit line.

Undaunted, Longo drove over to El Monte to investigate a Toyota dealership a friend told him could be had cheap. What he found was an empty store with nothing but a sign out front. But a one-time ride in a '66 Corona, with a full retail price of \$1,400, convinced

him "it was a lot of car for the money, and I felt I would have no problem selling that car." (Talk about prophetic.) So he took out a second mortgage on his house and took the plunge...for \$7,200.

Longo Toyota was born on St. Patrick's Day in 1967. There were five new cars, a few shelves of parts and five employees—actually six, but one was a new-car get-ready man who quit after the first five cars told him he wasn't needed. It was a rough go at first. "I opened in the morning and closed at night, and I went two years without a day off," recalls Longo with a sigh. But by the end of the year—not even a full year—Longo Toyota was Number One.

A torrid pace is still the store's trademark. Selling cars from inventory here is a luxury, because frequently there are none. "I roll them out quick," says the boss. "Most of my cars are sold before they get here." One of the main reasons for this quick turn is Longo's pricing policy. Despite heavy demand for Toyotas in the L.A. area, he claims, "I have never charged a nickel over retail. There is no extra sticker on my window. All extras are sold after the sale."

There is a method in this madness. "A lot of customers tell us they had to pay more than retail at other dealers, and they say they will never go back to that place," says Longo. "They are never going to say that about me. Getting over sticker on that one sale may be okay, but you are not going to get repeat business and goodwill that way."

Moving cars fast is also how Longo builds his enormous travel rate. Toyota's allotment system is based on sales in the last 90 days minus cars in stock. "So we try to have no cars or as few cars as possible in stock when they

TOYOTA

make the allotments," he explains. "And the way to do that is not to jack up the price."

What salespeople lose in gross per sale they more than make up for in weekly "spiffs" and pure volume. On a busy weekend, according to Longo, it is not unusual to see salespeople and customers waiting in line for a table—there is not enough room in the showroom for desks, much less cubicles or offices. "We have been known to sell 80 cars on a Saturday," he grins. "Fresh deals, sold and delivered."

Bucking the trend to hire salespeople from other fields, Longo has no use for "green" salespeople. They must have experience selling automobiles, "and we check their records," he adds. "We are a straight sell, and we want pros."

The rules are strict for the Longo sales team: Honest, courteous and professional behavior is a must, as well as a coat and tie at all times and no colored glasses. "We tell the truth here, and I want customers to be able to look us in the eye," he explains. To avoid any "misunderstandings," these rules are agreed to in writing at the time of employment.

There is also pressure to produce. Being low in sales two months running means you are gone.

"Yes, we have turnover," Longo admits. "If they make too many mistakes, we let them go. And some just can't cut it—it's fast." But as Longo proudly points out, "I have never advertised for a salesperson. We have a waiting list, which is rare in our business."

Longo feels "as long as I spend money for advertising to get the customers in here, and provide the best service department in the country, and the best



Photo by Ted Orme

merchandise available, then I have a right to set the rules."

Ironically, few of Longo's customers come from El Monte, one of the lowest income areas in the region. Of 1,835 new vehicles sold last December, only 24 buyers came from El Monte. "This dealership shouldn't even be here," quips Longo, who points out 550 December customers drove the half hour from L.A. to buy from him. The trick, of course, is a \$1.2-million ad budget which draws customers from all over the sprawling Los Angeles area. The ads are there daily, primarily in newspapers, magazines and on radio. Longo found TV "too expensive for what it brings in."

A large part of that ad money is spent on Longo's pride and joy, the service department. Open 7 a.m. to 10 p.m., the service department is a bonafide profit center, though the night shift produces red ink. But, as Longo puts it, "Sometimes you have to lose on the bananas and make it on the apples. The night shift will never make money because you have to pay people more to work nights, you still need the back-up staff, and you can't raise service rates. But it sells cars. It brings traffic in here that we would never have."

To keep customers from waiting in a shop that averages 120 repair orders a day, Longo employs five service writers during the day shift and three at night. The department's most distinctive feature, however, is a full-time customer relations manager who answers directly to the general manager or Longo himself. "He has the authority to do whatever it takes to make the customer happy," Longo points out.

Dominic Longo is, in fact, a believer in customer satisfaction. His current facility, built 11 years ago, was designed for customer convenience, with clear labeling and easy-to-find services. Each service or sales customer leaves with a clean car and a dealer evaluation form. Any complaint is responded to, and a written report of how it was handled is given to Longo, who does not screen calls.

"I want to hear from customers," he says. "I want to know if there is anything we can improve on around here, and I learn from the customer how he wants to be treated. If you treat people the way they want to be treated, you can't lose. Good news travels fast. The few dollars spent on that really pay off, because they go out and tell others and they come back again and again."

The firm that appraised Longo Toyota for \$12 million recently also surveyed its customers. To their utter shock, auditors found 80 percent said they would buy from Longo again. It was the highest customer satisfaction rate of any company of any size the firm had audited. Many of the company's executives asked Longo how he did it.

"I've never felt I was in the car business exactly," he explains. "I don't build cars. In fact I just found out the engine's in the front. My wife told me. I'm in the people business. I only went to one year of high school, so all my education has been people. And I learned people want sincerity—no spiels, no lines, no pitches, just the truth."

That is another thing he learned from Ben Alexander, whom Longo credits for teaching what to do as well as what not to do, namely, become a chain dealer. "He spread himself too thin when he went to six stores," Longo says. "I made sure I didn't, by staying with one store. I wanted to be on top of everything, and I wanted to take one store and make it the best—the best in every department, not just sales."

But one of the dominant trends these days is toward chain dealerships, Longo is told. "It may come as a surprise to you, but I am so busy running my own store I don't know what is going on at the others. I'm only interested in this dealership, these people, and my customers. And I think that has contributed to my success," Longo states unequivocally. "I've never sold a car to another dealer, so I don't waste too much time talking to them."

Could he be selling even more cars without import restrictions? "No," he says without a blink. "I personally think

that when restrictions are over, Toyota and every other distributor will just put on more dealers, so no one dealer is going to sell more cars. If he thinks so, he's dreaming. And the gross profit per car will go down."

As far as the GM/Toyota car coming soon, Longo is not worried. "They will have one model; I have 30," he points out. "And besides, it will keep 5,000 Chevy dealers from kicking Toyotas."

The father of five, Longo has one daughter with cerebral palsy, which has become one of his prime interests. He is very involved with the Cerebral Palsy Association, has donated funds to build an independent living center for the handicapped, and has contributed heavily to scholarship funds for those entering special education for the handicapped.

"It's been a great feeling for my wife and me," says Longo of his efforts for the handicapped. "This community has been good to me, and the success of this dealership has allowed us to put something back into the community. Helping the handicapped and the El Monte Boys club are my two favorite projects, and they are the incentive to keep going stronger and stronger with the dealership."

In doing so, the 64-year-old Longo is taking a risk. A mechanical treadmill in his office stands as mute testimony to two severe heart attacks he has suffered. After the second bypass operation a year ago, the surgeon (who later bought two cars from Longo) strongly advised him to retire.

"But I couldn't do that," Longo says with a shrug. "I still have goals to reach. I want to do things for the handicapped. I feel great right now, and I had my best year ever in 1983. As long as I'm able, I want to keep working because I enjoy it and I enjoy doing these things with the profits."

"I'm a lucky guy," he concludes. "I feel sorry for the guy who works a job just to make money." □

Ted Orme is contributing features writer for Automotive Executive magazine.

Legal Briefs

FTC Franchise Rule Exemptions Granted

The Federal Trade Commission (FTC) has ruled on the petitions of several manufacturers and distributors who sought exemption from the FTC's Franchise Rule (16 CFR Part 436). The following companies filed for and have been granted the exemptions: Volkswagen of America Inc., Volkswagen Mid-America Inc., Gulf States Toyota Inc., Southeast Toyota Distributors Inc., Subaru of New England Inc., Distributors Inc., Subaru Distributors Corp., Subaru South Inc., Penn Jersey Subaru Inc. and Southwest Star Corp.

The Franchise Rule mandates information disclosure in the franchise context where the FTC has concluded that deceptive acts and practices are more likely to occur. The FTC has found that deception is most prevalent among proposed franchisees lacking business sophistication, lacking time to review complicated agreements and where the franchisee is uninformed concerning all of the relevant facts necessary for wise investment.

An exemption proceeding is available for companies dealing with well-informed investors. Under this proceeding, the FTC reviews automobile manufacturer and distributor petitions on a case-by-case basis, recognizing that automobile franchisees are generally knowledgeable investors. ■

California Code Held Inapplicable to Maryland Dealer

A Maryland dealer attempted to prohibit Nissan from locating another Datsun dealer in its relevant market area by invoking a choice of laws clause in its franchise agreement. The agreement called for the application of the California Vehicle Code to the Maryland dealership (*S&R Inc. v. Nissan Motor Corp.*, No. R-83-1346, D. Md., 1/12/84).

The parties sought to agree to the jurisdiction of the California New Motor Vehicle Board. It was argued that Nissan breached the franchise contract by changing the dealer's (S&R) sales area without the approval of the Board. The

California Board dismissed the protest and did not consider any aspect of possible "good cause" for the location of another dealer in S&R's market area.

On appeal to the U.S. District Court for the District of Maryland, the dismissal was upheld. The court reasoned that the California New Motor Vehicle Board lacked jurisdiction over the protest, despite the parties' agreement, and that the Board's authority did not reach beyond the state of California. ■

Michigan Law Prohibiting Age and Gender Discrimination Applies to Franchises

The widow and daughters of a gas station dealer sued Amoco over a notice of termination following the death of the dealer. The gas station and land were leased to the former dealer as part of the franchise agreement. Their suit alleged violations of the Petroleum Marketing Practices Act, tortious interference, discrimination in violation of Title VII of the Civil Rights Act and age and gender discrimination in violation of Michigan's Elliot-Larsen Act (*Lucy v. Amoco Oil Co.*, No. 82-60316, ED. Mich., 3/15/84).

In prior hearings in the same case, all claims but the Elliot-Larsen Act and the tortious interference claims were dismissed by the U.S. District Court for the Eastern District of Michigan. In the most recent hearing, the judge denies Amoco's motion to dismiss the remaining claims, specifically holding that the Elliot-Larsen Act prohibits discrimination in real estate transactions, including franchises. Citing the Act, the court notes that discrimination is prohibited on the basis of gender or age in "real estate transactions," including "the sale, exchange, rental, or lease of real property, or an interest therein."

Amoco had argued that the Act applied only to residential property and that the lease to the gas dealer was merely an incident to the franchise agreement and not an integral part of it. Both of these arguments were rejected by the court. This is the first case to so construe the Michigan law and it will now proceed to trial. □

This column is prepared by the Legal Group of the National Automobile Dealers Association. For further information or questions concerning the items appearing in this column, write: Legal Briefs, NADA Legal Group, 8400 Westpark Drive, McLean, VA 22102-3591.

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Editor's Note: As of the September issue, *Automotive Executive* will no longer run "Auction Classified."

Hearings Held on Domestic Content

Sen. Bob Packwood (R-OR), chairman of the Senate Commerce, Science and Transportation Committee, held hearings on S. 707 on May 16 and 24 in Washington, DC. President James P. Jennings testified on behalf of NADA in opposition to the bill.

In addition to the Washington hearings, field hearings were held in Portland, OR, on May 29 and Des Moines, IA, on July 6.

Following is NADA's testimony.

"NADA strongly opposes any proposal which would force automobile and truck manufacturers to build in this

country with domestically produced components. These decisions, as well as decisions regarding foreign investment in this country, should be based on economic realities and not legislative fiat. S. 707 would hamper the ability of domestic auto and truck manufacturers to produce a product that would be competitive in the world markets. NADA agrees with the House Ways and Means Committee report on H.R. 1234, which states, 'The real issue...is the efficiency and international competitiveness of the domestic auto industry—and this bill would not improve either.'

"Proponents of S. 707 argue that this legislation is needed to encourage foreign automakers to build in this country, thereby stimulating employment. Investment by foreign automobile manufacturers has already begun in this country and we believe additional investment and production will certainly take place in the coming years.

"Honda, Nissan and Volkswagen of America are companies that made decisions to build in this country because they believed it was in their economic interest to do so. As these plants reach full production, they will create thousands of jobs in the U.S....The total voluntary investment by Japanese automobile companies in the U.S. now exceeds \$1 billion. If these companies remain profitable there is every reason to believe this investment trend by foreign corporations will continue.

...As far as the small business automobile dealer is concerned, we feel local content legislation would adversely impact both domestic and import dealers, their approximately 700,000 employees, and our customers.

"The most obvious result of S. 707 is the significant impact it will have on new-car prices—both domestic and import. The Department of Commerce estimates a 4.5-percent increase in the price of a new car; the Congressional Budget Office a 6-percent increase; and Wharton Econometrics a 10-percent increase which would cost consumers \$18 billion annually.

"A 10-percent increase in the price of cars to the American consumer is extremely significant. In 1983, the average selling price of a new car purchased in the U.S. was \$10,725. An additional \$1,000 per vehicle plus the \$317.50 it would cost the purchaser to finance this price increase (computed at 13.5 percent for 48 months) is an extra cost consumers should not be forced to absorb.

"To deny American automobile manufacturers the flexibility they need to produce a car at the lowest possible price simply makes no sense. By limiting foreign competition and the ability

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(For more information circle #21)

of the domestic manufacturers to search for the lowest price components, there is little doubt that the American consumer will have to pay higher new-car prices. Increased prices will ultimately serve to drive more consumers away from new-car purchases and retard the industry's revitalization program. In addition, substantial price increases for domestic vehicles will place the domestic manufacturers at a competitive cost disadvantage worldwide.

"As the retail merchants whose livings are made selling new cars and trucks, dealers are cognizant of one fact: High interest rates and high car prices combine to price many potential new-car buyers out of the marketplace.

"During the recent recession, over 4,000 new-car dealers were forced to close their doors and over 163,000 dealer employees lost their jobs. This number would have been greater if thousands of domestic dealers had not been dualed with an import. It is our best judgment that passage of the domestic content bill will put even more dealers out of business. Should foreign manufacturers decide not to invest in this country, or should those companies that have already invested here reassess their decision and decide to take another approach, import dealers and domestic dealers who also have an import franchise will be severely injured. This is totally unfair.

"The federal government, by passing a domestic content bill, would be sacrificing the jobs of dealers and their employees, plus thousands of jobs which rely on a sound import/export trade, for minimal job gains in the auto manufacturing sector. According to the Congressional Budget Office, there would be a net job loss of 66,000 jobs if the domestic content bill were enacted. The Department of Commerce and Wharton Econometrics project an even greater net job loss. Given the net loss in jobs that will accrue, is this a sound national policy? We think not.

"As mentioned earlier, the auto industry and the nation have just re-

bounded from a severe recession. The production of the domestic automobile manufacturers has increased substantially, the dealer attrition rate has subsided, and thousands of auto workers have been recalled. Now is not the time to place uncertainty in the marketplace, weaken competition, artificially raise new-car prices, limit model availability, and possibly begin a trade war that would further cripple the world economy.

"The solution to increased employment and a healthy domestic automobile industry is not the adoption of a

domestic content bill whose benefits are dubious at best. Rather it is to get the federal government on a solid financial footing so interest rates are reduced and sustained economic growth can ensue.

"NADA opposes S. 707 and would urge the committee to reject this poorly conceived measure." □

This column is prepared for Automotive Executive by the Legislative Division of the National Automobile Dealers Association. All comments or questions pertaining to this column should be mailed to: On The Hill, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102-3591.

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A cooperative safety program by the National Automobile Dealers Association (NADA), the Motor Vehicle Manufacturers Association of the United States (MVMA), and the Automobile Importers of America (AIA).



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(For more information circle #28)

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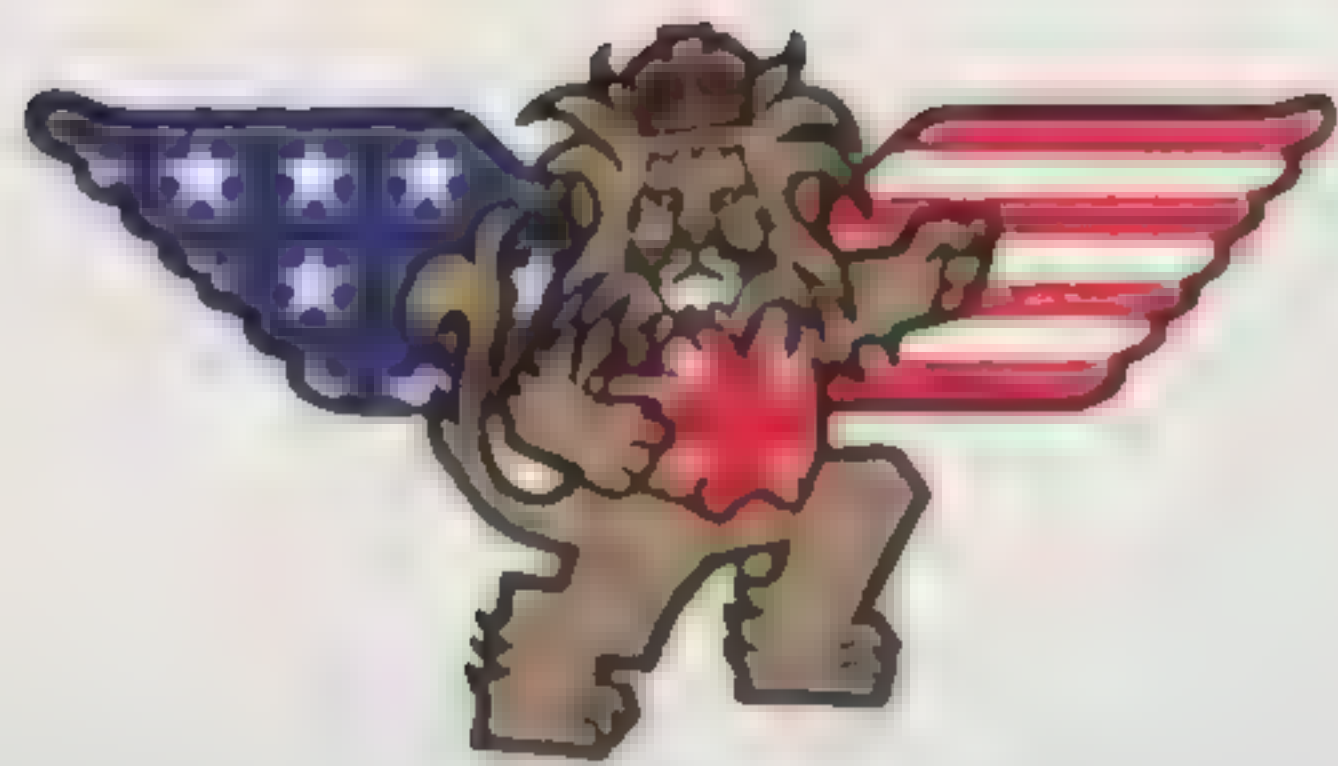
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(For more information circle #3)

Dealer Candidate Academy

When Pat Hembrough took over a small Buick store in Farmington, IL, on February 15, she dove into the deep end of the pool. For several years, the dealership had been floundering. Five new-car sales constituted a strong month. With local Caterpillar and International Harvester plants laying off employees, and farmers still reeling from the '83 drought, prospects for recovery looked dim.

Hembrough's first two-week financial statement ran in the red. Right away, she tightened expenses. More aggressive merchandising, including the addition of a Chevy franchise, increased sales up to 20 new cars per month. In its first six-week financial statement, Hembrough Motors' figures showed black. Chances are good the dealership will make money this year.

Not bad for someone who graduated from NADA's Dealer Candidate Academy two weeks after she became a dealer. And no surprising, either.

Since its inception in 1979, more than 250 men and women have participated in the Dealer Candidate Academy. Students include executives entering the industry as franchised dealers, experienced dealers and managers needing a refresher course, and sons, daughters and spouses of current dealers designated as dealer successors.

Of a recent sampling of 100 graduates, more than 90 percent successfully serve as dealers or dealership managers. In the five years the program has been offered, more than 20 dealers have elected to sponsor a second or third student.

The academy was "developed for dealers by dealers," says Hembrough, who spent the last 10 years working at her father's dealership (Bill Hembrough Motors Sales Inc., Rockford, IL). "I had worked in every department," she says, "but I didn't have the management skills or financial understanding I needed to go out on my own. At the academy, I ac-



Pat Hembrough uses the information she learned in the Dealer Candidate Academy to help make her dealership profitable.

quired that and more. The program does a great job of preparing future dealers for the demands of business."

NADA's Dealer Candidate Academy combines classroom instruction with in-dealership experience. The one-year program consists of six one-week classroom sessions held throughout the country, followed by in-dealership work experience related to the classroom instruction. Topics include financial management, parts department management, service and body shop operations, used-vehicle management, new-vehicle operations and overall dealership management. Classroom sessions feature instruction by NADA professionals, dealers and other guest lecturers.

Candidates learn by analyzing their own financial statements and working in their own operations—not by reviewing theoretical examples in a textbook, Hembrough says. Before the first class even meets, students are expected to complete about 600 calculations relating to their financial statements. In class, instructors help students analyze their statements, and then outline corrective actions to improve departmental performance. Computerized reports generated by NADA enable students to compare profit and loss figures and evaluate managerial effectiveness throughout the 12 months of training.

"This is the program's heart," Hembrough says. "Dealers have to know how to run their businesses on paper, or they'll never be able to function in the real world. The academy provides this understanding."

The program isn't all numbers, however. Other topics covered include used-vehicle appraising and reconditioning, new-vehicle inventory control, leasing, estate planning, service merchandising, warranty administration and parts tracking. Between classes, candidates work in their dealerships on assignments relating to the subjects just completed.

"Lessons sink in the best when you have to go back and test them in the dealership," she says. "Sometimes they don't work. But in each class there are 30 people, along with the instructor, who can help you figure out the situation."

Registration is now open for two upcoming classes: Class XVI (begins October 22) and Class XVII (begins January 14, 1985). Students enrolling during July and August receive a special management cassette package free of charge. For further information, contact Dealer Candidate Academy, 8400 Westpark Drive, McLean, VA 22102-3591, (703) 821-7216 or toll-free (800) 252-NADA. □

Other Voices

Investment Tax Credits

I cannot remember a position taken by NADA with which I disagree as vehemently as the one regarding investment tax credits (May *NADA Newsletter*). As a dealer who takes an active role in legislative matters, I am embarrassed by NADA's position in this matter and I intend to let my representatives know of my opposition to it.

Just whom do we think we are kidding? The whole area of investment tax credits for vehicles is riddled with abuse and everyone knows it. How can any businessman seriously justify the need for a \$15,000 car strictly for business? More to the point, why should the rest of the country's taxpayers be required to subsidize this kind of lifestyle? The fact is that few of the dealers you represent even offer a car at that price. As for lost sales, I doubt that anyone planning to purchase a \$40,000 Mercedes will forego this little trinket over a measly tax credit.

The major threat facing auto dealers and their customers today is the federal deficit and its impact on interest rates, foreign trade deficits and inflation. How can we possibly ask our legislators to step up to this major issue in a responsible way while we are whining over the loss of an abusive tax loophole that really doesn't have a serious impact on most dealers anyway.

It's about time we took our tongue out of our cheek and recognize that if we are ever going to approach a balanced federal budget, everyone's ox must be gored. Surely, doing away with this outrageous welfare for the rich tax scheme is a perfect place to start.

Bart J. McCarville
McCarville Ford Inc.
Centereach, NY

Domestic Content

We believe that our philosophy at Mitsubishi Motor Sales of America (MMSA) is not any different than the general philosophy that exists in the U.S. auto industry—both domestic and import. That opinion essentially holds that the U.S. economy has experienced a rather

successful history by following a basic philosophy of free trade. When free trade is mixed in equal parts with the basic laws of supply and demand, history has proven that both the consumer and industry are the benefactors.

However, on the other hand, history has also shown that when attempts have been made to interfere with the free trade process or to intervene in the natural balance of supply and demand—then usually one, if not both, of the participants (the consumer and industry) are the losers.

If one sincerely believes in a free economy, then that same person cannot "hedge" his position by supporting special legislation which is aimed at limiting competition. It is because we, at MMSA, support these views that we continue to work with NADA, AIADA and AIA in developing a forum to allow free exchange of discussion against protectionist legislation.

Richard D. Recchia
MMSA
Fountain Valley, CA

Japan has an unfair advantage in trade with the United States because of its undervalued yen and commodity tax rebates. These inequities must be eliminated.

Presently, the voluntary restraints give us leverage in negotiating with Japan to correct these problems. A local content law would also give the United States leverage, but local content is a long-term protectionist device. Chrysler favors voluntary restraints which are simpler and temporary.

The important issues are the yen/dollar relationship and the tax system. They must be resolved if Japan and the U.S. are to enjoy mutually beneficial trade.

James L. Tolley
Chrysler Corp.
Detroit, MI

The following is reprinted from the American International Automobile Dealers Association (AIADA) newsletter, International Automobile Dealer.

Not one organization has offered to join the United Auto Workers (UAW) and AFL-CIO in support of the domestic content bill since the original version was drafted and introduced into the House of Representatives in December 1981. The unions want to prevent American companies from expanding plans to produce cars and parts outside the U.S., but during contract negotiations this fall, they will bargain hard to raise Detroit's cost of production in the U.S.

UAW gathered support for the domestic content bill, which passed the House in November 1983, by stating the primary purpose of the legislation is to force Japanese automobile companies to produce cars in the U.S. Union claims were that the protectionist bill would save in Detroit, or create in U.S.-based foreign car plants, between 700,000 and one million jobs.

In the past five years, the American production facilities established by offshore automakers, representing a \$1.9-billion investment, created only 7,000 jobs, exposing the union claims that similar investments would create hundreds of thousands of new jobs.

The Congressional Budget Office estimates passage of the domestic content bill will reduce foreign competition, raise car prices and result in the net loss of 66,000 jobs.

Opposition to the bill continues to grow. One hundred organizations representing farmers, consumers, exporters and importers, and port service organizations signed a letter delivered to every member of the U.S. Senate citing the damaging impact the protectionist bill would have upon their businesses.

"Billions of dollars of American exports, in agriculture, aerospace, electronics and other industries, would be jeopardized," the letter said.

The impetus for the bill came from the slump in the U.S. automobile business from 1979 to 1982. Soaring profits by the Detroit auto companies in 1983 and 1984 should be cause for great embarrassment for any legislator willing to vote for protection for an industry enjoying its biggest profits ever.

Sales Breakthrough!

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I'm Bob Pettet, president of a West Coast Advertising agency, and this is the most unusual ad I've ever done. It's about "The Closers", the best book on closing sales ever written. But the ad was written for me by a satisfied customer, Ben Gay III, a nationally known Sales Pro!

Here's how: The publishers of "The Closers" gave me a letter Mr. Gay had sent to his national sales organization. His unsolicited letter said it all. Here it is:

TO: ALL SALESPeOPLE
SUBJECT: CLOSING SALES

"I've been a professional sales closer for twenty-three years. I've earned millions of dollars as a sales closer. Why? I figured out that closing sales is the highest paid profession in the world only if you take the time to learn it as a science — which it is!

"It's not an accident that a few of us have stayed at the top of this profession. It's the result of years of practice, dozens of seminars and extensive reading on how to close sales . . .

. . . and many of us have wondered why no one put the meat of all our experiences in one book. As for me, I've been too busy closing sales and making money to devote the years I figured it would take.

CLOSING SECRETS

"About a month ago I saw an ad for a book on closing sales. As usual, it claimed to contain 'closing secrets'. Knowing I'd have to read another whole book to pick up a fresh close or two, I almost didn't order it. But you've got to 'pay the price', so I sent in my check.

"The book arrived. It was called 'The Closers'. I tossed it in my briefcase and forgot about it. The next week I was on a plane, found the book and started reading.

MASTER CLOSER

"On the first page I was pleasantly surprised. By the tenth page I was excited! By the last page I knew it had been done! A true Master Sales Closer had put it all in one easy-to-read book! And I do mean ALL!

"Everything I'd learned from my mentors! Everything I'd learned from a hundred books! Everything I'd learned from dozens of seminars! Everything I'd learned from countless cassettes! Everything it took me twenty-three years to learn was there! EVERYTHING!

"I called the publisher and ordered 500 copies!

"Folks, this book is SUPER! It is THE definitive book on closing sales! I want you to buy a copy and read it — again and again!

GUARANTEED

"I believe so strongly in 'The Closers' that I'm telling you to get a copy. But if you don't agree with me after you've read it, mail it back, I'll refund your money and give the book to a school in our area.

"If you're really serious about learning how to close sales like a pro, here's your chance! Order your copy of 'The Closers' today!

"With 'The Closers' working for you, I'll see you AT THE TOP!"

"Best,
Ben Gay III"

See what I mean? And as his letter says, he's bought hundreds of copies! Well, that's it. No hard sell. "The Closers" is the best book on closing sales ever written. I give you my word on that. Everything you or your sales organization needs to know about closing sales is now in one easy-to-read book. 300 pages of SALES CLOSING DYNAMITE!

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The cost is only \$19.95* per copy plus \$2.50 for First Class postage. Or, if you prefer, you can obtain "The Closers" in the 8 cassette album for just \$99.95* plus \$3.50 for First Class postage. Better yet, order both!

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Page 11

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Then drop the card in the mail (we'll pay the postage). Two cards are provided for your convenience—one for you and one for your managers. Please pass one along.

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(For more information circle #33)

Special Showcase: Wheels & Tires

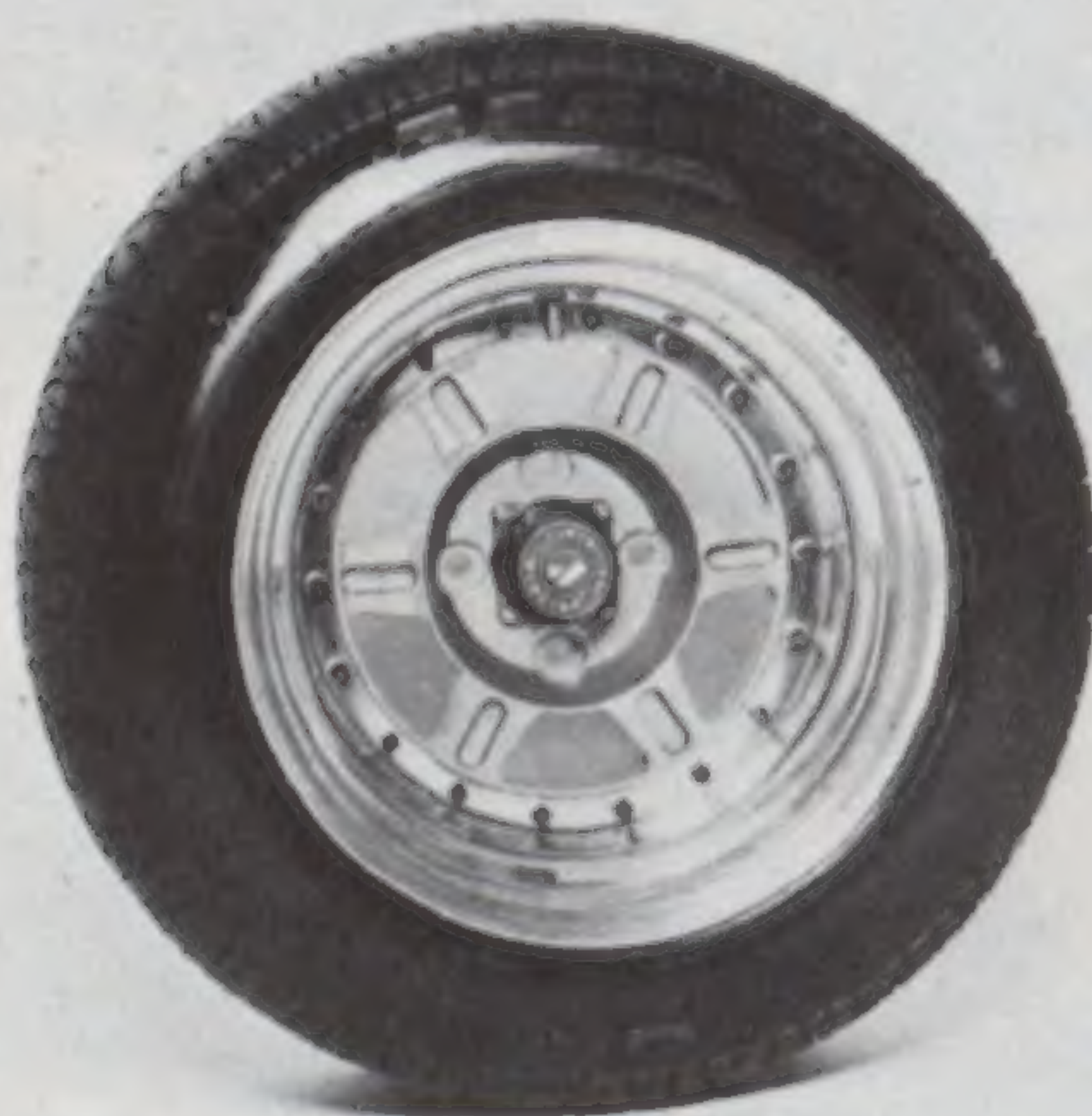
The new Tredlock premium **passenger tire** from The Armstrong Rubber Co. incorporates an interwoven belting system that the company says provides superior durability, handling performance and structural integrity, and virtually eliminates tire failures because of belt edge separation, the most common cause of radial tire failure. Manufacturer: The Armstrong Rubber Co., New Haven, CT. ■

(For more information circle #81)



Jongbloed is introducing a race quality **modular wheel** for Datsun Z Series, Toyota Celica, Mazda RX-7 and Pantera applications. The six-spoke handmade wheel design features an aluminum center casting, finished in gold or hamertone enamel, with rim sections of spun aluminum. Manufacturer: Jongbloed Modular Wheels, Santa Ana, CA. ■

(For more information circle #82)

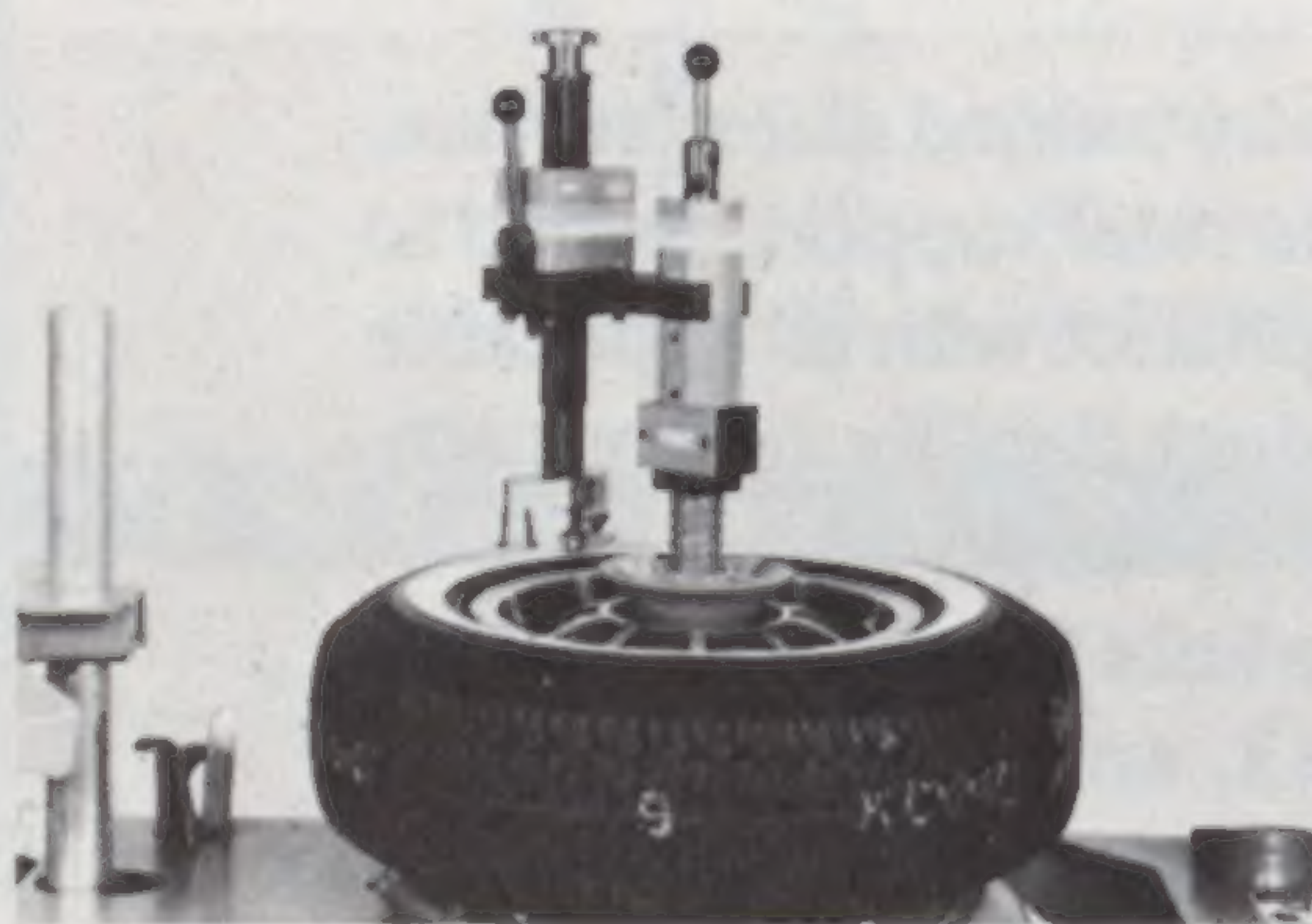


Ronal's R8 Type **alloy wheel** is now available with an optional cap to complement its smooth open spoke design. The cap comes in two finishes, silver or antique silver, and snaps on over the lug bolts for a sleek and classic appearance. The wheel is available for import and domestic applications in 13-, 14- and 15-inch diameters with offsets for both front and rear wheel drive. Manufacturer: Ronal, Huntington Beach, CA. ■

(For more information circle #83)

Goodyear is introducing a new **tire** into the market for imported and downsized domestic cars. According to the company, the steel-belted G-Metric radial tire features European styling, handling, sizing and speed ratings. The tire is available in nine European metric sizes that cover 90 percent of the small car market. Manufacturer: Goodyear, Akron, OH. ■

(For more information circle #84)



According to FMC, its new **TireChanger/MagTool** is an economical alternative for servicing custom wheels. The unit is compatible with most existing tire changers and changes tires without contact with the wheel's external surface. Manufacturer: FMC, Conway, AR. ■

(For more information circle #85)

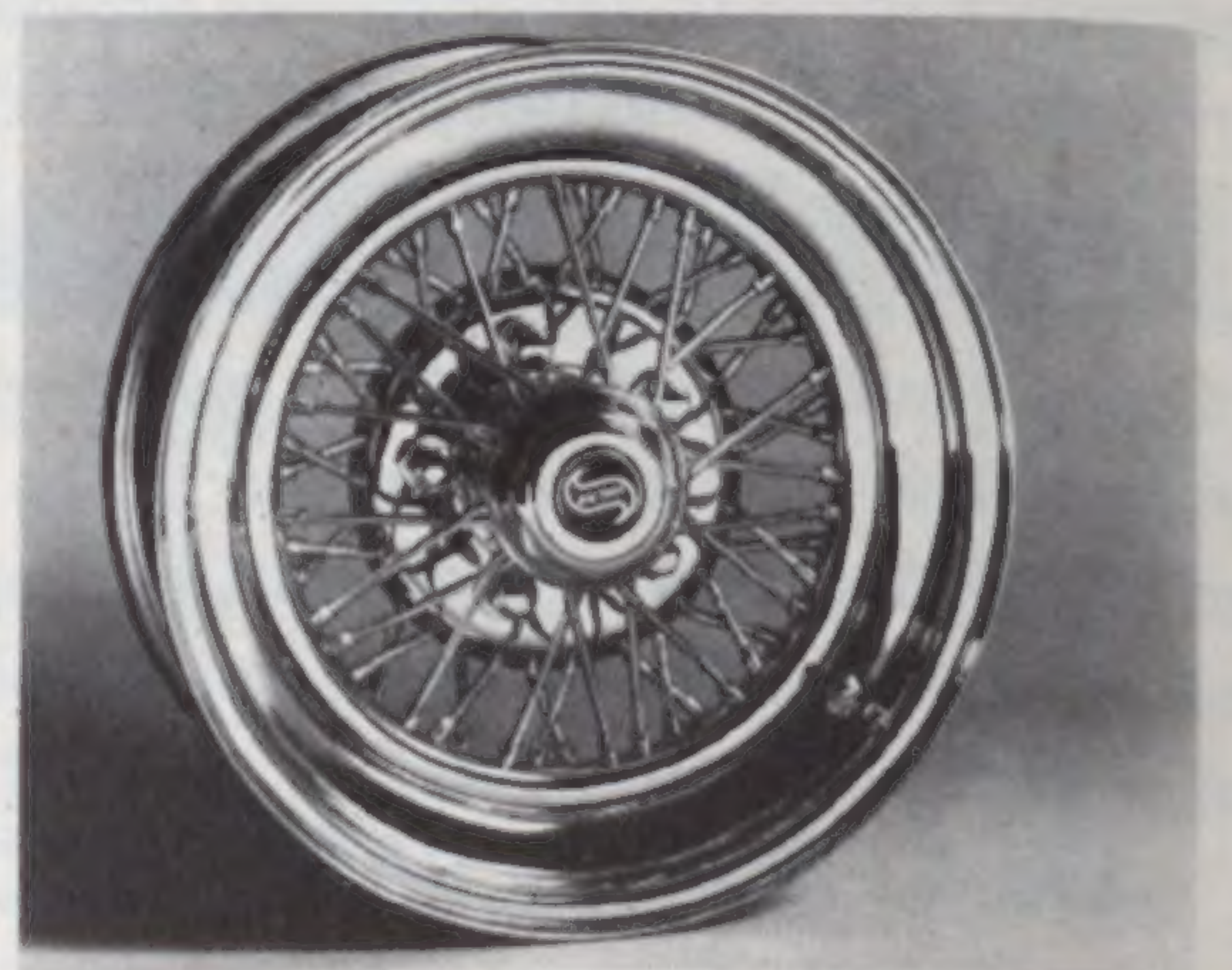
According to Bridgestone, its new all-season S407 **radial tire** is the answer to the need for all-season tires for high-performance cars. The S407 is one of the few all-season radials sold in America with an H speed rating. Its advanced casing design creates additional stability at high speeds and eliminates the standing wave phenomenon. Manufacturer: The Bridgestone Tire Co. of America Inc., Los Angeles, CA. ■

(For more information circle #86)

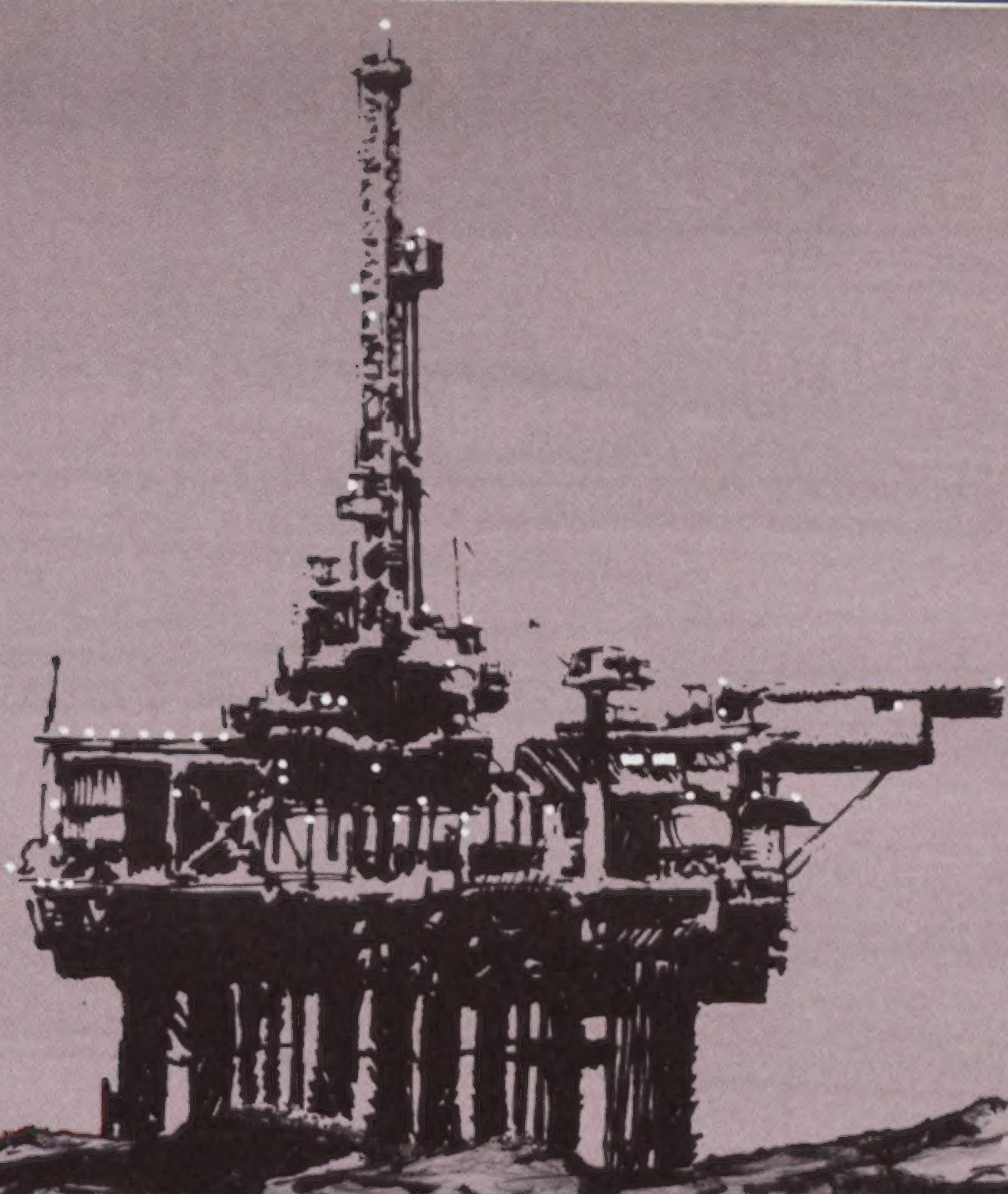


Daytona Industries is introducing its "**Signature Wyre**" wheel, featuring a 50-spoke center section laced to a steel ring and attached to an outer steel rim. According to the company, all parts are fully chrome-plated and load rated to industry standards. The wheel is available in multi-fit applications, features tubeless construction, fits all disc brake applications and installs with standard mag wheel lug nuts. Manufacturer: Daytona Industries, Buena Park, CA. □

(For more information circle #87)



September's Special Showcase features auto electronics. Please send press release and a black-and-white photograph of your product for consideration to: Joan Rubin, assistant editor, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102-3593. Materials must be received by July 25.



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